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TODAY: STAGE New Rules of Folk Page 12

Bonn Gives In to Pressure and Drops Plan for Gold

French Communists to Back Jospin

By Barry James
International Herald Tribune

PARIS — The leadership of the Communist Party has recommended joining the government of Prime Minister Lionel Jospin, who assumed office Tuesday, assuring him of a majority in the National Assembly.

The Communist national committee, recommending that rank-and-file members endorse its decision, did not spell out the conditions under which the party would join the government for the first time since the early 1980s. The party said it would announce its decision Wednesday after local branches had voted.

Socialist Party officials said Mr. Jospin would complete his cabinet on Wednesday, but did not confirm that it would include Communists.

The Communist Party, which won 38 seats in the 577-member National Assembly, is opposed to joining the European single currency.

But a senior Socialist Party member, Elisabeth Guigou, confirmed that the government would respect the timetable for joining European monetary union, while insisting on changes in the criteria for membership.

Socialists face the challenge of reviving French politics. Page 7.

"Of course we must respect this deadline," said Mrs. Guigou, when asked whether France still planned to join the single currency on Jan. 1, 1999, in the first clear indication of France's position since the change of government.

However, Mrs. Guigou, a former minister of European affairs who was in line for the same post in the new government, said France would attempt to "fill out" the criteria for establishing the single currency, giving particular emphasis to job creation.

After meeting with Mr. Jospin, Robert Hue, the Communist leader, asked for "guarantees" rather than imposing conditions to meet Communist demands, which include a 500 franc ($87) increase in the national minimum wage of 6,407 francs a month, a two-point reduction in the 20.6 percent value-added tax and a

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Kohl Bows to Bundesbank Over Euro

By Edmund L. Andrews
New York Times Service

FRANKFURT — The German government on Tuesday abandoned its much criticized plan to cut its budget deficit this year by revaluing gold reserves, a last-ditch bookkeeping maneuver that Chancellor Helmut Kohl had hoped would help his country qualify for the new single European currency, the euro.

The reversal marked a surrender by the government to the formidable central bank, the Bundesbank, which criticized the plan last week as a departure from sound monetary practice and as an intrusion on its own independence.

Beyond being a major embarrassment for Mr. Kohl and Finance Minister Theo Waigel, economists said, the retreat means that Germany now has little chance of meeting the strict fiscal requirements for 1997 that it has itself insisted be the basis for deciding which countries can qualify for the new euro.

That is likely to force a significant change in the assumptions underlying the euro, which is scheduled to begin replacing currencies like the French franc and the Deutsche mark in 1999. Germany has been Europe's scolding schoolteacher on fiscal policy, insisting that countries not be allowed to participate in the euro unless they meet exact and nonnegotiable financial targets. Germany has been adamant, for instance, that for countries to participate in the common currency in 1999, they must achieve a budget deficit in 1997 that is no bigger than 3 percent of their gross domestic product.

The Bundesbank's powerful message. News analysis, Page 13.

But without either a miracle or a slew of new one-time maneuvers, Germany's budget deficit this year is too big to satisfy Bonn's own demands and Mr. Kohl must either decide to relax his government's stance or to surrender to a delay in introducing the euro. Economists say that a common currency would be unworkable without Germany's participation.

"Their chances are slipping out of

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Ed Andrieski/The Associated Press

Diane Leonard, whose husband died in the Oklahoma City bombing, celebrating the guilty verdict.

From the Wounded, Rage

Oklahoma Blast Victims Seek the Death Penalty

By Rick Bragg
New York Times Service

OKLAHOMA CITY — After the explosion, people learned to write left-handed, to tie just one shoe. They learned to endure the pieces of metal and glass embedded in their flesh, to smile with faces that made them want to cry, to cry with glass eyes.

They learned, in homes where children had played, to stand the quiet. They learned to sleep with pills, to sleep alone.

With the conviction of Timothy McVeigh in a Denver federal court, with cheers and sobs of relief at the lot where a building once stood in downtown Oklahoma City, the victims of the most deadly attack of domestic terrorism in U.S history learned what they had suspected all along: That justice in a faraway courtroom is not satisfaction.

Oklahoma City case is a rare U.S. study in home-grown terrorism. Page 2.

"I want the death penalty," said Aren Almon-Kok, whose daughter, Baylee, was killed by the bomb a day after her first birthday. Pictures of the baby, bleeding and limp in the arms of a fire fighter, became a symbol of that crime, of its cruelty. "An eye for eye. You don't take lives and get to keep your own."

Mrs. Almon-Kok saw the announcement of the verdict Monday on television at her mother's house, then went immediately to the site of her daughter's death, where she was joined by some people who had lost children in the bombing and by others who had just felt drawn there.

She said how happy she was with the verdict, but her face was stricken, haunted.

"I cried, and I cheered," Mrs. Almon-Kok said.

"I don't think there will ever be closure. I love her so much and I miss her, still, a lot. Baylee meant the world to me."

In what some people here see as poetic justice, the powerful image of Baylee, taken by an amateur photographer, will be used by prosecutors in the penalty phase of the trial in Denver to try to send Mr. McVeigh to his death.

Throughout Oklahoma City and the little

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Doug Collier/Agence France-Presse

Ronnie Trent consoling his wife, Barbara, whose parents were killed in the Oklahoma City bombing, after a jury announced the McVeigh guilty verdict.

Marines Evacuate 1,200 From Sierra Leone Chaos

Forces Humiliated, Nigeria Is at Crossroads

By Howard W. French
New York Times Service

ABIDJAN, Ivory Coast — One day after fierce fighting erupted in the Sierra Leone capital, Freetown, U.S. Marines flying helicopter rescue missions evacuated more than 1,200 foreigners Tuesday from a site close to the worst combat.

The evacuation was mounted from a U.S. warship, the Kearsarge, which has been patrolling off the coast. The rescue was the third of its kind since a military coup overthrew an elected president on May 25, setting off a wild spree of violence and looting by rebellious soldiers in Freetown.

The latest evacuation was required after a Nigerian-led West African military intervention aimed at restoring civilian rule backfired badly Monday, as rebellious soldiers routed Nigerian troops in several positions after heavy fighting, and reportedly took large numbers of prisoners.

With the completion of the Western evacuation from Sierra Leone, diplomats said that the country's crisis was shifting into a new phase in which Nigeria, West Africa's military — and would-be political — powerhouse, faced stark choices about its future commitment there.

As the embarrassing setback proved Monday, prevailing over Sierra Leone's battle-hardened forces could require a much larger and far more costly deployment than the 2,000 or so Nigerian soldiers sent to Sierra Leone so far.

Landing in the seaside suburb of Aberdeen, about 350 Marines cordoned off the beachfront with concertina wire, placed the area under heavily armed guard, and loaded the terrorized foreigners onto helicopters for transport to the Kearsarge, an amphibious assault ship, which diplomats said would later carry them to neighboring Guinea.

The scene of the two previous evacuations by the Marines, the nearby Mammy Yoko Hotel, was almost totally destroyed in a day of ferocious combat Monday. In that fighting, about 50 lightly armed Nigerian soldiers were pitted against 150 or more fighters from the Sierra Leonean Army and a rural rebel force that has joined in the coup, the Revolutionary United Front.

The Sierra Leonean forces attacked the hotel, which the Nigerians appeared to be using as an operational base, in retaliation for a heavy round of shelling of rebel positions by Nigerian warships. Although the numbers could not be independently verified, Sierra Leone radio reported Tuesday that 80 civilians had been killed and 100 wounded in the Nigerian bombardment.

With more than 600 foreigners sheltering in the basement of the Mammy Yoko Hotel, witnesses said, the Sierra

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The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	1.7278	1.7305
Pound	1.6347	1.6357
Yen	116.025	116.55
FF	5.8255	5.84

The Dow		
	Tuesday close	previous close
+22.75	7312.15	7289.40

S&P 500		
change	Tuesday @ 4 P.M.	previous close
-0.85	845.48	846.33

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Dm
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

AGENDA

Clinton Lawyer Sees 'Smear' Bid by Starr

Responding to a magazine article, Bill and Hillary Clinton's lawyer has accused Whitewater prosecutors of trying to "smear" his clients by leaking secret information from grand jury proceedings.

In a letter to Kenneth Starr, the prosecutor in charge of the Whitewater inquiry, the lawyer, David Kendall, said that comments made by prosecutors in the article flouted grand jury secrecy rules "aimed at preventing precisely this kind of leak-and-smear damage."

The article also said prosecutors had made "no attempt to squelch speculation that they have weighed the possibility of indicting" Mrs. Clinton in the case. Page 3.

U.S. Probes Collusion Among Art Dealers

Justice Department investigators have subpoenaed financial documents from more than a dozen prominent Manhattan art dealers and from Christie's and Sotheby's auction houses in what appears to be a wide-ranging antitrust investigation.

Several of the dealers said they believed that investigators are looking into the possibility of collusion and price fixing among art dealers buying at auction. Page 10.

Anne Dinkel/Agence France-Presse

DISMISSED — Steffi Graf leaving the court Tuesday after losing to Amanda Coetzer. It was Graf's first French Open quarterfinal loss since 1986.

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One Arab Real-Estate Dealer's Harrowing Night

Chretien Hangs On To Power in Canada

Liberals Win a Slight Majority; Quebec Separatists Lose Seats

By Anthony DePalma
New York Times Service

TORONTO — Canadian voters have returned Prime Minister Jean Chretien to power, giving him a slim parliamentary majority and a weak mandate to continue with the severe fiscal austerity that has practically eliminated the country's huge federal deficit, while cutting deeply into Canada's revered social programs.

Mr. Chretien's Liberal Party won 155 of the 301 seats in the new House of Commons, barely enough to form a second consecutive majority government, and 19 fewer seats than the 174 that it controlled in the previous government.

The Reform Party increased its seats to 60 from 50, the Bloc Quebecois dropped to 44 seats from 50, the New Democratic Party rose to 21 from 9, and the Progressive Conservatives increased to 20 seats from 2. One independent was elected.

Mr. Chretien and his centrist party received overwhelming support from Ontario, which has undergone severe budget cuts and a drastic overhaul of social services. The Liberals took 101 of the province's 103 seats.

They also did better than expected in Quebec, where the separatist party, Bloc Quebecois, split its support with a revitalized Progressive Conservative Party, opening room for the Liberals.

Mr. Chretien squeaked out a narrow victory for his own seat in the Quebec paper-mill town of Shawinigan, a seat he has held for most of the past 30 years. The lead kept changing hands between himself and his separatist opponent, Yves Duhaime.

The results show that Mr. Chretien, 63, has won part of the gamble he took by calling the election one and a half years before his term ended, convinced that he could build on the sizable majority that the Liberals enjoyed in Ottawa. Mr. Chretien said he wanted a mandate for another term to complete the overhaul of the Canadian economy and to prepare for a new challenge on Quebec independence expected before the year 2000.

"In this campaign we talked about keeping this country strong and united," Mr. Chretien told supporters at his home

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Dissident vs. Dissident Reveals Fragility of the Chinese Movement

By Steven Mufson
Washington Post Service

BEIJING — For 20 years, the names of the Chinese dissidents Ren Wanding and Wei Jingsheng have been closely linked.

Both were active in the Democracy Wall movement of 1978-79, when they plastered political tracts on a wall near the leadership compound of Beijing's Communist Party. Mr. Wei was jailed in 1979 and Mr. Ren soon followed for publicly protesting Mr. Wei's arrest. In 1988, five years after his release, Mr. Ren again called for Mr. Wei's release and wrote an essay challenging the Communist Party to "let the people decide their future through the ballot box."

Now, after another prison stint for speeches he gave during the 1989 demonstrations in Tiananmen Square, Mr. Ren has resurfaced in an unexpected way: with a sharp attack on the imprisoned Mr. Wei.

Mr. Wei has been nominated for the Nobel Peace Prize, but Mr. Ren has said that he would "sully" the award and that giving it to him would be "stupid and nonsensical."

Two labor activists have been sentenced to prison for three and a half years. Page 6.

Human rights activists here interpret Mr. Ren's attack not as an indictment of Mr. Wei, but as an indication of the feeble state of the Chinese democracy movement on the eighth anniversary of the June 4, 1989, crackdown that ended the demonstrations in Tiananmen Square. With people like Mr. Wei and the student leader Wang Dan serving long prison sentences, there are no forceful voices left inside China to drown out Mr. Ren's note of jealousy, bitterness and disillusionment.

Amnesty International contends that 303 people are still in prison for their roles in the 1989 protests. Bao Tong, the most senior party member linked to the protests, has been released but was forced to move out of Beijing and was deprived of his political rights. Chen Ziming, branded as one of the "black hands" behind the 1989 protests and then the articulate leader of a creative policy research organization, is effectively under house arrest. Others live in exile.

Remnants of the democracy movement have fallen to bickering among themselves about strategy. Mr. Ren, for example, asks whether Mr. Wei should have taken precautions to avoid his current prison stint, which began in 1994.

"He doesn't think about what the effects of his activities are on the movement," Mr. Ren said in a telephone interview. "He doesn't think carefully about the function, the usefulness of his sacrifice." Mr. Wei's intellectual abilities are "average," he added, and Mr. Wei "is not China's Mandela."

Merle Goldman, a professor at Boston University who has written extensively about reform here, said: "I think the tragedy of June 4, 1989, proved that it is impossible to carry out genuine political reform within the existing Leninist party-

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هكذا من الأصل

The McVeigh Verdict / **A Bombing Made in the U.S.A.**

The Shock of Terrorism Risen From Native Soil

By Glenn Frankel
Washington Post Service

WASHINGTON — In the 221 years since the 13 colonies declared their independence, Americans have fought on their own soil to escape a king and to shatter and restore the union. There have been vigilante violence, violence against Indians, agrarian uprisings, criminal violence, racial and ethnic violence, family feuds, lynchings, urban riots, serial killings and political assassinations. Violence, the black activist H. Rap Brown once famously said, is "as American as cherry pie."

But pure terrorism is not. The act of driving a van laden with explosives to the front of a government building and setting the fuse, indiscriminately murdering dozens of men, women and children for an ostensibly political purpose, is such an awful event that at first Americans could not believe it was homegrown. Suspicions turned toward the Middle East, toward someone or something outside Americans' borders and psyches.

The verdicts Monday confirmed that the Oklahoma City bombing was indeed an American act, and they constituted an American response — a jury of 12 people heard the state's evidence, listened to the accused person's defense and then reached a unanimous finding of guilt.

For relatives of the victims and for many others as well, the verdicts were an act of healing and redemption — an attempt not only to restore a tarnished legal system but also to confirm an American consensus that violence in the name of politics is wrong.

The Oklahoma City bombing revealed a dark undercurrent in American society of angry, alienated people who deeply resent and fear their government. "Reminds me a little bit of Yellowstone Park," a defense lawyer, Gerry Spence, said recently on television. "There's all these waters boiling and eventually some of them pop up."

Wearing a T-shirt that proclaimed "Sic Semper Tryannis" (Thus Always to Tyrants), Timothy McVeigh set out that morning in April 1995 not just to damage a building but to destroy a political system. According to the testimony of his friend Michael Fortier, Mr. McVeigh planned to spill as much blood as possible. He intentionally set the fuse not during the middle of the night, when the Alfred P. Murrah Federal Building would have been all but empty, but during a peak hour of work, when it was certain that many federal workers would be killed.

MR. FORTIER said that Mr. McVeigh compared these employees to "storm troopers" in the movie "Star Wars." He said that Mr. McVeigh told him, "They may be individually innocent, but because they were part of the evil empire, they were guilty by association."

The point was a simple one: that the federal government was evil, that the death of 84 people during the 1993 siege of the Branch Davidian sect near Waco, Texas, was effectively a government declaration of war against the American people.

Although he pleaded not guilty, it is clear that Mr. McVeigh saw the bombing as both the spark for a national uprising and a logical and necessary response to the government's own violence.

This has seldom happened in the past. A list of bombings in the United States going back 75 years shows that, however misdirected or bizarre, most of those attacks had a clear target and limited aims.

Where the goals were ambitious and plainly terrorist — such as the "anarchist" bombing in Wall Street in 1920 that killed 40 or the attack on the World Trade Center in 1993 that killed 6 — the perpetrators were usually foreigners with a cause they felt the United States was impeding.

Charles H. Porter IV/The Associated Press

THE OKLAHOMA City bombing produced by far the largest single toll of terrorist deaths on American soil. But almost as shocking was the fact that the man responsible came from an unremarkable American background. Timothy McVeigh was a lonely and troubled boy who grew up in a working-class community in western New York state. He experienced many of the vicissitudes of modern young Americans — he grew up in a broken home in a town where factory jobs were drying up.

With limited prospects at home and at work, he did what millions of young men have done for generations — he joined the army. But that institution also had changed. Mr. McVeigh found no home, but he learned some of the skills and met some of the men who allegedly would aid him in his troubled journey to Oklahoma City.

Somewhere along the way, his personal alienation turned political and his disaffection hardened into hatred. He became a denizen of the militia underworld, a subculture of a subculture, where paranoid conspiracy theories and firearms made a lethal mix.

Although most Americans were stunned and outraged, McVeigh sympathizers on the fringe have remained loyal. For months the Internet has been alive with conspiracy theories.

One contributor to a news discussion group on the Excite World Wide Web site wrote Saturday that "there was so much evidence to at least suggest prior knowledge if not direct government involvement in the bombing," that if Mr. McVeigh were found guilty, "I'd have to say that the defense team sold out for some reason."

Another contributor suggested that "if he is guilty of anything to do with this, I don't think he is alone. It appears to me that the feds were in on it too."

Conspiracy theorists recently posted a purported recent photo of the Ryder truck on the Internet, insisting that it was never used in the blast and now was hidden in a secret army compound.

Others say a study proves that the amount of explosives in the van could not have been sufficient to cause the devastation.

Such notions are not surprising in a country where polls indicate that 49 percent of the public believes the CIA was involved in President John Kennedy's assassination and 9 percent suspects that the 1969 moon landing was a hoax.

What is more striking is the degree of outraged consensus that immediately arose after the bombing. The Waco congressional hearings, which produced much testimony about federal incompetence during the siege, did not resonate politically. Few seemed prepared to support critics of federal law enforcement in the aftermath of Oklahoma City.

"Most of the violence in American history has at least some logical target or purpose," said David Rothman, a social historian at Columbia University.

"But Oklahoma City just seemed wrenched out of any context. It's not part of the American tradition. It's more pathology than politics."

Muslims Jam Bosnia Town, Hoping to Stampede Serbs

By Jonathan C. Randal
Washington Post Service

SANSKI MOST, Bosnia — On the military map, colored grease-pencil arrows stab north across Bosnia's cease-fire lines. The map, drawn by Alessandra Morelli of the office of the UN High Commissioner for Refugees, illustrates widely shared fears that Muslim refugees, increasingly fed up with promises and no action, will force their way home to what is now Serb-held territory with potentially bloody results.

Thousands of refugees returning to Bosnia from abroad are pouring into what Ms. Morelli's map labels the "major impact area" — a triangle of land with its apex in this Sana River city in northwest Bosnia and its legs reaching 32 kilometers (20 miles) to the southeast and southwest.

The refugees are seeking to return to their homes, which are now occupied by Serbs, but Muslim officials, assisted by a crisis center that works from 7 A.M. to 9 P.M., are trying to find housing for them in Muslim-held Sanski Most and outlying districts.

Western military specialists speculate that if Muslim troops resume hostilities against the Serbs, now protected by international peacekeeping forces, any such drive will be preceded by local incidents involving huge numbers of refugees attempting to cross the lines.

If successful, the theory goes, the incidents could spark a panicky retreat of Serbs from the entire western half of Serb-held territory and not just from the Muslim returnees' homes in nearby Prijedor, Bosanski Novi and Banja Luka.

Muslim officials make no secret that returning refugees are being deliberately directed here to increase what one regional mayor joyfully called "the critical mass" and Ms. Morelli referred to as a "parking lot rapidly becoming a pressure cooker."

Officials here acknowledged that concentrating Muslims within kilometers of the cease-fire lines is social engineering meant to impress the Serbs. The 1995 Dayton peace agreement provides for refugees to return to their homes, but this has been ignored. And the peacekeepers, in refugee eyes, decline to enforce it.

Mehmet Alagic, a military leader during the Bosnian war and now the mayor of Sanski Most, routinely tells visitors that he has no qualms about increasing the refugee intake. He speaks openly of grouping several families in a single house, often with 10 persons in a room.

Sead Cirkin, who organizes Prijedor refugees from an office in Lusci Palanka 24 kilometers west of here, said he would gladly move out of his office "to make way for another returning family" and would welcome "an explosion, because something has to be done to help us go home."

Yet each successive — and often disgruntled — family is putting added pressure on limited housing and job opportunities.

The area's population, after the large Serb minority's exodus in October 1995, is almost entirely Muslim and is higher than the prewar figure of 61,000 residents. Plans are afoot to bring in 20,000 more returning Muslim refugees.

As many as 5,000 are said to have arrived so far this year by bus or car, and many thousands more are expected when the school year ends.

Foreign governments eager to cut back welfare payments to refugees affect indifference to the repercussions of their decisions. For example, state governments in Germany, desperate to reduce the costs of caring for more Bosnian refugees than the rest of Europe combined, have begun cutting off social security payments to them and rescinding residence permits to force their return home.

A 53-year-old woman who returned from Germany last month with her son said she was "too scared" to challenge the Serbs in her home town and was angry with local officials, whom she accused of demanding the equivalent of $3,000 to allow her to stay in the room she had found in the city.

As she spoke, a retired couple got into, then out of, a minibus that is used to show newcomers around available housing, much of it as far as 25 kilometers from the city.

"My husband has a heart condition and must be in the city," the woman shouted.

But Djevad Cusic, a retired engineer, his wife, Zekiah, and their 20-year-old son, Jasenko, seemed pleased with the two-room second-story apartment the committee had found them in a Serb-owned house in a nearby suburb last week.

"We saw bigger places, but they were farther out and needed doors and windows," Mr. Cusic said.

"We were smart to come when we did. This is big enough for us."

Algeria on Alert For Vote Violence

Compiled by Our Staff From Dispatches

ALGIERS — The authorities in Algeria ordered some schools closed Tuesday and told residents to report suspicious packages and cars in an effort to stem the bloodshed from rebels' bombs before the legislative election Thursday.

Since Sunday, bombings attributed to Muslim guerrillas have killed at least 22 people and have wounded more than 120 in Algiers, the capital.

In a statement published by local newspapers, the Interior Ministry urged Algerians to show "extreme caution" and report suspect cars or packages to the security forces.

The warning came as Algeria began a mandatory 48-hour "cooling off" pause from electioneering after a campaign by 39 political parties for the 380-seat National People's Assembly.

The vote will be the first legislative election since civil war broke out with Islamic extremists in 1992. The uprising began after the military canceled polls that the Islamic Salvation Front was poised to win.

The Front is now banned, and a new constitution forbids the use of Islam as a tool to win public office. Parties seen as front-runners include the National Democratic Rally, a group of supporters of President Liamine Zeroual, and the Movement of a Peaceful Society, which has fundamentalist leanings.

In its orders Tuesday, the Interior Ministry told Algiers schools to suspend classes for young students from midday Tuesday until Saturday. Le Matin newspaper attributed the order to "extreme tension" in the capital.

Earlier, the Interior Ministry ordered markets to close — one of the bombs this week went off at a crowded market in Algiers's Bab el Oued district, reportedly killing 11 people — and banned trucks from the capital's streets. *(Reuters, AFP)*

Doc Cheatham, a Trumpet Player Who Became a Jazz Star, Dies at 91

By Peter Watrous
New York Times Service

NEW YORK — Doc Cheatham, 91, a lyrical, elegant trumpet player whose career blossomed when he was in his 70s and who then became one of the best-known jazz stars, died Monday at George Washington University Hospital in Washington.

An indefatigable player, Mr. Cheatham performed last weekend at Blues Alley, a club in Washington.

Mr. Cheatham emerged in his own right in the late 1960s as a brilliantly sensitive improviser and leader of stellar small groups. He became an acclaimed performer in small clubs, large concert halls and jazz festivals throughout the world. His solos were admired for their spare lyricism.

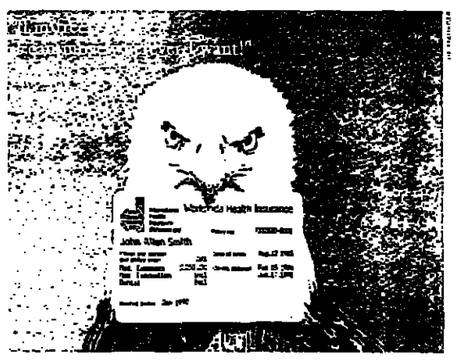
Born in Nashville, Tennessee, Adolphus Anthony Cheatham started playing music when he was 15. In the mid-'20s, he moved to Chicago and began to play with regional bands.

In 1931 he became a member of Cab Calloway's orchestra at the Cotton Club in Harlem. In the '60s he led his own group in New York and performed with Benny Goodman's quintet, where he emerged as a significant improviser.

When he was in his late 60s, he left the Latin orchestra of Ricardo Rey to rededicate himself to jazz. He formed a new band, and in 1974 he opened the Nice Jazz Festival in France for George Wein, an engagement that helped to re-establish Mr. Cheatham on the international scene.

But it was not until 1980 that he became a genuine star. He became a perennial at the JVC Festival, at Carnegie Hall's jazz programs and at Lincoln Center's jazz programs.

"When I'm gone," Mr. Cheatham said in an interview for The New Yorker in 1982, "it'll be just about over, my kind of playing."



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TRAVEL UPDATE

New Terminal at Prague Airport

PRAGUE (AP) — Amid expectations that its capacity will double, the international Ruzyne Airport opened its new terminal Tuesday.

The terminal is expected to increase the airport's annual capacity to 4.8 million travelers, from 2.3 million.

Wider Smoking Ban on U.S. Flights?

WASHINGTON (AP) — On the 10th anniversary of the U.S. law banning smoking on most domestic flights, a group of lawmakers wants to stop smoking on all flights beginning in the United States. An expanded ban is one of two anti-smoking measures proposed Tuesday by three Democrats — Senator Frank Lautenberg of New Jersey, Senator Dick Durbin of Illinois and Representative Henry Waxman of California.

The number of tourists visiting the United States hit a record high in 1996, the Commerce Department's Tourism Industries office has announced. About 46.3 million travelers visited the United States last year, up 7 percent from 1995. *(Reuters)*

Changle International Airport in Fuzhou, the capital of Fujian Province in southeastern China, is scheduled to open June 23, the Xinhua press agency reported. *(AP)*

Cholera has killed about 350 people in Tanzania over the past five months, the Health Ministry said Tuesday. *(AFP)*

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America Chilly weather will remain entrenched across eastern Canada and the northeastern United States, while very warm to hot weather is expected across the southwestern United States into the Plains, with sunshine and mainly dry weather. Rainy and cooler weather will move into western Canada.

Europe Cloudy, damp and cool weather is expected across eastern Europe from Scandinavia to western Russia southward into Turkey, while mainly dry and warm weather is in store for Hungary southeastward into Greece. Cool, wet weather will move into the British Isles, France and parts of Spain.

Asia A small storm will move across northeastern Asia producing showers in Manchuria and southwestern Russia Thursday night and into Tokyo by Friday. Beijing and Seoul should be mainly dry and warmer with some sun. It will be hot and dry in India, but rainy in southeastern China.

Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	21/70	13/55	s	21/70	12/62	sh
Amsterdam	20/68	11/52	s	23/73	12/62	pc
Ankara	24/75	7/44	c	26/79	6/43	pc
Athens	28/79	18/64	s	28/79	18/64	s
Barcelona	22/71	17/62	r	21/70	16/61	c
Belgrade	24/75	14/57	c	27/80	16/61	pc
Berlin	22/71	13/55	c	27/80	12/62	s
Brussels	22/71	13/55	s	23/73	17/62	sh
Budapest	25/77	13/55	pc	27/80	15/59	pc
Copenhagen	20/68	10/50	pc	21/70	12/53	s
Costa Del Sol	21/70	11/52	t	22/71	17/62	c
Dublin	19/66	12/53	pc	19/66	13/55	r
Edinburgh	18/64	10/50	pc	18/64	10/50	c
Florence	28/82	16/61	pc	28/82	17/62	c
Frankfurt	23/73	12/53	c	27/80	15/59	pc
Geneva	24/75	15/59	pc	22/71	14/57	c
Helsinki	13/55	1/34	s	14/57	6/43	pc
Istanbul	27/80	18/64	s	24/75	13/55	pc
Kiev	19/66	10/50	pc	19/66	7/44	pc
Las Palmas	22/71	18/64	s	24/75	19/66	pc
Lisbon	20/68	14/57	s	21/70	16/64	r
London	22/71	13/55	pc	20/68	16/61	r
Madrid	19/66	11/52	r	20/68	15/59	c
Mallorca	22/71	19/66	r	21/70	17/62	c
Milan	28/82	17/62	pc	26/79	17/62	r
Moscow	19/66	11/52	c	19/66	11/52	r
Munich	20/68	11/52	sh	23/73	15/59	sh
Nice	24/75	18/64	pc	22/71	17/62	r
Oslo	16/61	8/46	s	22/71	11/52	pc
Paris	24/75	16/61	pc	22/71	13/55	r
Prague	23/73	10/50	s	26/79	14/57	pc
Reykjavik	10/50	3/37	sh	7/44	3/37	pc
Riga	16/61	3/37	s	17/62	8/46	s
Rome	24/75	16/61	s	27/80	16/61	pc
St Petersburg	15/59	5/41	r	14/57	7/44	pc
Stockholm	11/52	3/37	pc	16/61	9/48	pc
Strasbourg	24/75	14/57	pc	25/77	16/61	sh
Tallinn	13/55	2/35	s	15/59	6/43	pc
Tbilisi	24/75	14/57	r	23/73	12/53	r
Vienna	26/79	17/62	pc	23/73	18/64	sh
Vilnius	22/71	12/53	pc	25/77	16/61	pc
Warsaw	20/68	10/50	pc	22/71	11/52	c
Zurich	22/71	13/55	c	25/77	14/57	c

Middle East

Abu Dhabi	34/93	20/68	s	34/93	21/70	s
Beirut	24/75	17/62	s	26/77	16/61	s
Cairo	36/97	19/66	s	37/99	17/62	s
Damascus	30/86	11/52	s	30/86	12/53	s
Jerusalem	27/80	12/53	s	28/82	12/53	s
Luxor	41/106	18/64	s	44/111	21/70	s
Riyadh	40/104	23/73	s	41/106	24/75	s

North America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Anchorage	21/70	11/52	pc	19/66	10/50	pc
Atlanta	24/75	16/61	pc	23/73	14/57	sh
Boston	17/62	8/46	pc	15/59	8/46	c
Chicago	23/73	12/53	s	23/73	9/48	pc
Dallas	31/88	19/66	pc	29/84	17/62	t
Denver	29/84	14/57	pc	28/82	11/52	c
Detroit	24/75	11/52	s	23/73	9/48	pc
Honolulu	30/86	23/73	pc	30/86	24/75	pc
Houston	33/91	20/68	s	29/84	18/64	t
Los Angeles	26/79	14/57	pc	29/84	14/57	pc
Miami	31/88	23/73	pc	31/88	22/71	pc
Minneapolis	27/80	14/57	pc	27/80	13/55	pc
Montreal	19/66	8/46	sh	18/61	7/44	c
Nassau	30/86	29/73	c	30/86	22/71	c
New York	19/66	11/52	pc	22/71	13/55	pc
Orlando	32/89	21/70	s	29/84	20/68	pc
Phoenix	41/106	24/75	s	40/104	24/75	s
San Fran	19/66	11/52	sh	19/66	12/53	pc
Seattle	18/64	8/46	sh	18/64	9/48	sh
Toronto	22/71	9/48	s	18/64	5/41	pc
Vancouver	17/62	7/44	sh	14/57	4/39	sh
Washington	19/66	10/50	pc	23/73	12/53	pc

Legends: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Almaty	27/80	13/55	r	28/84	9/48	s
Bali	32/89	21/70	s	31/88	21/70	pc
Bangkok	32/89	24/75	r	32/89	24/75	t
Beijing	24/75	18/64	c	29/84	19/64	pc
Bombay	32/89	25/77	s	32/89	25/77	s
Calcutta	37/99	27/77	pc	37/99	27/80	pc
Chiang Mai	33/91	22/71	r	33/91	23/73	t
Colombo	30/86	24/75	pc	28/82	23/73	pc
Hanoi	32/89	27/80	c	31/88	25/77	pc
Ho Chi Minh	32/89	23/73	r	31/88	25/73	sh
Hong Kong	30/86	25/77	c	29/84	24/75	pc
Islamabad	39/102	23/73	s	40/104	23/73	s
Jakarta	31/88	23/73	pc	30/86	23/73	pc
Karachi	35/95	25/77	s	34/93	25/77	s
K. Lumpur	32/89	22/71	pc	32/89	22/71	pc
K. Kinabalu	31/88	21/70	pc	31/88	20/68	pc
Manila	33/91	23/73	pc	32/89	23/73	pc
New Delhi	42/107	28/82	pc	42/107	27/80	pc
Phnom Penh	31/88	23/73	r	31/88	22/71	r
Phuket	32/89	24/75	r	32/89	24/75	r
Rangoon	32/89	24/75	r	31/88	24/75	r
Seoul	23/73	13/55	pc	23/73	13/55	r
Shanghai	29/84	20/68	pc	28/84	22/71	s
Singapore	32/89	21/70	pc	31/88	21/70	pc
Taipei	30/86	24/75	r	30/86	24/75	t
Tokyo	22/71	19/66	r	23/73	19/66	s
Vientiane	31/88	27/80	c	31/88	29/79	pc

Africa

Algiers	31/88	16/61	c	21/70	12/53	pc
Cape Town	17/62	9/48	pc	19/66	8/46	pc
Casablanca	17/62	13/55	pc	19/66	17/62	c
Harare	30/86	13/55	s	30/86	13/55	pc
Lagos	28/82	23/71	r	29/84	23/71	pc
Nairobi	25/77	12/53	c	24/75	12/53	c
Tunis	32/89	19/66	s	27/80	14/57	pc

Latin America

Buenos Aires	18/64	13/55	c	18/61	6/43	sh
Caracas	31/88	25/77	pc	31/88	25/77	pc
Lima	23/73	18/61	s	22/71	19/61	s
Mexico City	28/82	13/55	s	25/77	12/53	c
Rio de Janeiro	22/71	19/66	c	25/77	20/68	r
Santiago	12/53	-1/31	sh	7/44	-3/27	r

Oceania

Auckland	14/57	9/48	pc	13/55	8/46	pc
Sydney	18/64	12/53	pc	18/68	13/55	pc

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Clinton Lawyer Assails 'Smear' by Prosecutor

The Associated Press

WASHINGTON — The lawyer for President Bill Clinton and his wife, Hillary, on Monday accused the Whitewater prosecutor's office of violating grand jury secrecy rules in a bid to inflict "leak-and-smear damage" on his clients.

In a letter to the Whitewater prosecutor, Kenneth Starr, that appeared to mark a dramatic change in approach, the lawyer, David Kendall, said an article in The New York Times Magazine quoting unnamed lawyers from Mr. Starr's office contained "plain violations of grand jury secrecy" rules imposed on prosecutors.

"The comments of you and persons in your office directly and indirectly quoted in the magazine article flout all these obligations," Mr. Kendall wrote. "Grand jury secrecy rules are aimed at preventing precisely this kind of leak-and-smear damage."

Mr. Starr's office did not immediately respond to a request for comment.

The article quoted unnamed prosecutors as saying that cooperation by the Clintons' former Whitewater partner, James McDougal, led to new documents about Mrs. Clinton's legal work for Mr. McDougal's failed savings and loan and "the truthfulness of her statements to federal investigators."

The article also quoted the unnamed prosecutors as saying that Mr. Starr's recent court declaration that a grand jury had heard "extensive evidence of possible obstruction" referred to the two-year disappearance of Mrs. Clinton's law firm billing records.

The magazine reported that Mr. Starr "provided background assistance for this article but declined to be quoted directly." It also reported that "lawyers in Starr's office make no attempt to squelch speculation that they have weighed the possibility of indicting" Mrs. Clinton.

The latter provoked a sharp retort from Mr. Kendall. "You well know that you have no evidence whatsoever that Mrs. Clinton had anything to do with any 'disappearance'" of billing records, he wrote.

The letter marks a change in strategy for Mr. Kendall, who has generally resisted attacking the Whitewater prosecutor.

Mr. Kendall alludes to the change in the letter, noting that in the past he has handled disputes with Mr. Starr in private letters but that the weekend article "leaves me no choice but to respond publicly."

The letter does not indicate whether Mr. Kendall planned to take any further action concerning the alleged disclosures.

POLITICAL NOTES

Feeling Nostalgic – and Old

WASHINGTON — There comes a moment during a television special on President Bill Clinton — a sepia-tinted, reverential account of the "rockin'est" president's taste in '60s and '70s music — when a smile drifts over Mr. Clinton's face and his gaze slips into the distance beyond the interviewer.

"Every time I hear the Mamas and the Papas," the president says wistfully during the program, "I think about Georgetown, I think about college, I think about 'Monday, Monday' and all those old, great songs." The program, "Bill Clinton: Rock 'n' Roll President," was broadcast Tuesday in the United States by the cable television network VH1.

VH1's special plops Mr. Clinton down at turning points in modern American music, at least through *Fleetwood Mac. But it also illustrates a subtle shift* over the last five years in Mr. Clinton's generational politics and musings, from an emphasis on youth and thinkin' about tomorrow to an emphasis on maturity and frettin' about retirement.

Bill Clinton is growing old. Or, at least, that is what he keeps saying, in idle observations dropped into unrelated public remarks.

"He's seven years younger than I am and has no gray hair," Mr. Clinton grumbled recently about the new British prime minister, Tony Blair. *(NYT)*

The Cost of Greater Safety

WASHINGTON — The full impact of the closing of streets around the White House on Washington's economy and traffic will probably never be known, according to a federal report released Monday.

The Treasury Department report, which took nearly two years to complete, was supposed to analyze some of the economic and transportation effects *of the May 1995 closings.*

President Bill Clinton closed off the two blocks of Pennsylvania Avenue between 15th and 17th streets NW, and parts of State Place, South Executive Avenue, Madison Place and E Street to protect the White House from a vehicle bomb.

The report calculated the cost of the closing to the city government at about $412,000 a year in lost parking meter revenue and higher expenses in rerouting buses. But the potentially greater costs related to lower retail sales and property tax values were not covered.

A Treasury spokesman, Howard Schloss, said the report followed federal environmental law, "which does not include such detailed economic impact analysis." *(WP)*

Quote/Unquote

President Bill Clinton, in a message to the families of the victims in the Oklahoma City bombing after *the conviction of Timothy McVeigh:* "No single verdict can bring an end to your anguish. Our prayers are with you." *(AP)*

Industry Splits on New TV Ratings for Children

By Paul Farhi
Washington Post Service

WASHINGTON — In a split with the rest of the television industry, several cable and broadcast networks are preparing to modify the U.S. industry's program-rating system to include on-screen symbols that specifically alert viewers when a program contains sexual material, violence or foul language, industry sources said.

Some networks plan to add the letters S, V or L to their current ratings over the next few weeks, the sources said Monday, a change that the industry until now has unanimously resisted. The letters — for sex, violence and language — are to appear at the start of programs along with the ratings — such as TV-PG, meaning parental guidance is suggested — that now appear.

The split reflects the industry's inability to resolve a dispute over the rating system, which has been in place since January. Major broadcasters, including NBC and CBS, remain opposed to any modification. On the other side, the cable executive Ted Turner and probably ABC and the Fox network are ready to go forward with the changes, several executives said.

"If everyone starts going their own way, it's going to have a catastrophic effect on the whole system," one person involved with the industry group that developed the ratings said. "The minute we do that, we're going to have alphabetical chaos out there."

But a network official said, "There's no way the two groups can get together and agree on this."

By adding the S-V-L ratings, broadcasters hope to mollify critics in Congress and in educational and parents' groups who say the current system does not offer parents enough information to guide children's viewing choices.

Angel Franco/The New York Times

Malcolm Shabazz, 12, who is accused of setting a fire that has left his grandmother in critical condition, leaving Juvenile Court in Yonkers, New York.

Away From Politics

• **Betty Shabazz, 63, widow** of the slain civil rights leader Malcolm X, remained in critical condition in a New York hospital as her 12-year-old grandson, Malcolm Shabazz, faced indictment at a court hearing on charges that he set the fire that burned 80 percent of her body. *(Reuters)*

• **Jonathan Levin, the son of Time Warner's chief executive,** Gerald Levin, was found dead in a pool of blood in his New York apartment after co-workers at Taft High School in the Bronx, where Mr. Levin, 31, taught, alerted neighbors that he had not reported for work. *(AP)*

• **Three gang members were convicted** of killing a 3-year-old girl, Stephanie Kuhen, who was caught in a spray of gunfire when her family took a wrong turn and drove into gang territory in Los Angeles in 1995. *(AP)*

• **The convicted spy Harold James Nicholson,** who is to be sentenced this week, should serve just under 24 years in prison, rather than life, because he has cooperated fully with government investigators, federal prosecutors say. *(AP)*

• **Patrick Rogers, who killed** a police officer in 1985 crime spree, was executed by lethal injection in the first of a record 11 executions set for June in Texas, officials at the state prison in Huntsville said. *(Reuters)*

U.S. Seeks Herb-Stimulant Curbs

By John Schwartz
Washington Post Service

WASHINGTON — The Food and Drug Administration has proposed rules aimed at reducing risks posed by a popular herbal stimulant that has been linked to seizures and deaths.

Products derived from the herb ephedra are sold as an aid to weight loss and for a treatment of allergies, and they are popular among young people as pep pills. The stimulants are also called Ma huang, Chinese Ephedra and Epitonin and are sold under such product names as Herbal Ecstasy and Ultimate Xphoria.

Since 1994, the Food and Drug Administration has received more than 800 reports of side effects from products made from ephedra, including irregular heartbeat, sleeplessness, anxiety, tremors and headaches. Extreme reactions have included seizures, heart attacks, strokes and two deaths. Ephedra contains ephedrine, which is a stimulant.

Under the proposed rules, manufacturers of products containing ephedrine alkaloids would have to limit the amount used to less than 8 milligrams per dose. Products also would be required to carry warning labels instructing consumers not to use more than 24 milligrams of the stimulant in any one day or to use the product for more than seven days.

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BOOKS

RACE, CRIME AND THE LAW

By Randall Kennedy. 538 pages. $30. Pantheon

Reviewed by
Richard Bernstein

RARELY if ever has anyone systematically and cogently addressed as many of the vexing issues persisting in American society as Randall Kennedy does in "Race, Crime and the Law."

A professor at Harvard Law School and the founding editor of Reconstruction, a pluralistic review of the issue of race, Kennedy has written a book that is deeply informed, all encompassing in its transracial humanity, and firmly anchored in a kind of impassioned common sense.

Indeed, the book is so well argued that it is hard to imagine any politician or scholar, or for that matter any Supreme Court justice, staking out a credible position on the matters it discusses without taking Kennedy's positions into account.

Kennedy sets out several purposes in "Race, Crime and the Law," among them to uncover the common ground that conservatives and liberals (and often blacks and whites) tend to neglect. He asks, for example, when is it permissible for police to use racial discrimination as they try to prevent crime or apprehend wrongdoers. Everybody knows that police in many cities are more apt to stop a young black man for questioning than they are a young white man. Some commentators and civil rights advocates portray this practice as institutionalized racism, while others (including federal courts) justify it as an evil necessary to the greater social good of crime prevention.

In approaching this issue, Kennedy, unlike some critics of racial selectivity in law enforcement, readily acknowledges that young black men do commit more crime than their white counterparts. He makes no excuses for that, and he refuses to condemn the reflex of many people to be more wary of blacks on the street than of whites.

He raises the example of the police officer who "detains the young black man disembarking from an airplane because the officer believes that the young man's race is one of the signals indicating that he is probably engaged in drug trafficking." Then the critical question: Is that a reasonable discrimination from which society as a whole benefits?

Kennedy's answer is that it is not a reasonable discrimination, and as he builds his argument, always taking account of alternative points of view and never ignoring contradictory evidence, it is difficult to disagree with him.

He allows that basing suspicion on race is understandable; he allows further that since blacks are more often the victims of crime than whites are, blacks as a whole desperately need effective law enforcement. The federal courts have a confusing record on this issue, but as Kennedy puts it, most have "concluded that race can appropriately be used as a factor of suspicion in determining the likelihood that a person is engaging in or has already committed criminal activity."

Still, Kennedy concludes that the harm of even the best-intentioned racial discrimination by the government is greater than the good. For one thing, he notes that federal court decisions have made "race-dependent decision-making" a "normal part of police practice," not just a part of it that takes place when there is a "compelling justification."

Here Kennedy speaks eloquently of the humiliations that law-abiding black people suffer at the hands of police. He argues that the courts' tolerant attitude toward police behavior "nourishes powerful feelings of racial grievance against law enforcement authorities that are prevalent in every strata of black communities" and that serve to divide the country along hostile racial lines. And he contends that current police practices run contrary to the difficult but laudable goal of making race less important rather than more important in judging individuals.

KENNEDY, who manages to be both scholarly and readable, subjects other questions to the same kind of careful, reasoned scrutiny. He deals with the death penalty, the racial composition of juries, the inequality of punishments meted out to blacks and whites.

He tries to define and circumscribe the use of the "race card" in criminal trials, as in the O.J. Simpson case. He demolishes the argument, in vogue among some legal scholars, that black jurors should fight for racial justice by refusing to convict black defendants accused of nonviolent crimes, even when they believe the defendant to be guilty.

Such a conception of "the irresponsibility of blacks would impose upon African-Americans a disability from which they were free even during the era of slavery," Kennedy argues, "the disability of being perceived as people wholly devoid of moral choice and thus blameless for *purposes of retribution,* the same way that infants, the insane and animals are typically viewed as morally blameless."

And all along, Kennedy never loses sight of his basic purpose, which, as he puts it, is "to facilitate the emergence of a polity that is overwhelmingly indifferent to racial differences, a polity that looks beyond looks."

Richard Bernstein is on the staff of The New York Times.

BEST SELLERS

New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	PRETEND YOU DON'T SEE HER. by Mary Higgins Clark	1	6
2	THE PARTNER. by John Grisham	2	12
3	THE RANCH. by Danielle Steel	3	7
4	OH, THE PLACES YOU'LL GO! by Dr. Seuss	9	155
5	MASON & DIXON. by Thomas Pynchon	4	3
6	THE NOTEBOOK. by Nicholas Sparks	6	32
7	OUT TO CANAAN. by Jan Karon	5	5
8	THE TENTH JUSTICE. by Brad Meltzer		1
9	THE GOSPEL ACCORDING TO THE SON. by Norman Mailer	7	4
10	THE CELESTINE PROPHECY. by James Redfield	15	163
11	SNOW IN AUGUST. by Pete Hamill	8	2
12	THE NIGHT CREW. by John Sandford	12	6
13	AFFAIR. by Amanda Quick	13	5
14	END OF THE DRIVE. by Louis L'Amour		1
15	SOLE SURVIVOR. by Dean Koontz		10

NONFICTION

1	WITHOUT A DOUBT. by Marcia Clark with Teresa Carpenter	6	2
2	INTO THIN AIR. by Jon Krakauer	5	4
3	JUST AS I AM. by Billy Graham	2	3
4	ANGELA'S ASHES. by Frank McCourt	3	37
5	UNDERBOSS. by Peter Maas	4	5
6	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL. by John Berendt	12	150
7	MOTHERS & DAUGHTERS. by Carol Saline and Sharon J. Wohlmuth	1	5
8	CONVERSATIONS WITH GOD: Book 2. by Neale Donald Walsch	11	3
9	CONVERSATIONS WITH GOD: Book 1. by Neale Donald Walsch	8	24
10	THE DILBERT FUTURE. by Scott Adams		1
11	THE MILLIONAIRE NEXT DOOR. by Thomas J. Stanley and William D. Danko	15	19
12	LOCKED IN THE CABINET. by Robert B. Reich	10	5
13	PERSONAL HISTORY. by Katharine Graham	9	16
14	DAUGHTERS & MOTHERS. by Lauren Cowen and Jayne Wexler	7	2
15	NAKED. by David Sedaris		8

ADVICE, HOW-TO AND MISCELLANEOUS

1	EIGHT WEEKS TO OPTIMUM HEALTH. by Andrew Weil	2	11
2	KIDS ARE FUNNY, from The Rosie O'Donnell Show	4	6
3	SIMPLE ABUNDANCE. by Sarah Ban Breathnach	1	60
4	SUCCESS IS A CHOICE. by Rick Pitino with Bill Reynolds	3	6

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Markus Badde
Brussels, Belgium

Third Prize ..... *A collection of books about Spain and a 3-month subscription to the IHT*
Pamela Gerla
Frankfurt, Germany

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Blair Unveils Campaign To End Welfare in U.K.

By Sarah Lyall
New York Times Service

LONDON — Prime Minister Tony Blair has denounced a culture of dependency on government that he said has created a "workless class" of people in Britain who live off the state and have no motivation to find jobs.

Mr. Blair, who has resolutely moved his party away from its old working-class roots and remodeled it as a centrist movement that he calls "New Labour," said one of the cornerstones of his government would be getting people off welfare and putting them to work.

In doing so, he called Monday for a "radical shift in our values and attitudes" and said that the welfare state, long associated with the old Labour Party, had to change along with the times.

"Earlier this century, leaders faced the challenge of creating a welfare state that could provide security for the new working class," he said. "Today, the greatest challenge for any democratic government is to refashion our institutions to bring this new workless class back into society and into useful work."

Mr. Blair's speech, which was delivered in the Southwark housing project in South London, had been leaked in advance to the Sunday newspapers. News stories about the advance copy of the speech caused a furor over the weekend when several papers reported that the plan would force thousands of Britain's single parents to get jobs or face losing their benefits.

But Mr. Blair stopped short of that position in the actual speech Monday, saying only that single parents should be encouraged to find new jobs through government programs.

The prime minister's remarks came as his Labour government, which swept into power with an overwhelming majority a month ago, prepares a major overhaul of the country's welfare system. In its review, Mr. Blair said, the government would ask simple questions about all of Britain's benefits: "Do they give people a chance to work? Or do they trap them on benefits for the most productive years of their lives?"

Britain now spends about 13 percent of its gross domestic product, or about £98 billion ($160 billion) a year, on its social security system. According to government figures, 5 million people of working age live in homes where nobody works, and more than a million adults, out of a population of 58 million people, have never had a job.

Britain has no minimum wage. A single parent with one child receives about £88 a week in cash and is eligible for other benefits, such as subsidized housing.

Among Mr. Blair's proposed solutions is to impose a windfall tax on the profits of privatized utilities, which he says would raise about £3 billion that could be spent on job programs for young people.

Under the program, about 250,000 unemployed people between the ages of 18 and 25 would be given the chance to work for a charitable organization, for an environmental task force set up by the government or at a job in the private sector, for which their employer would receive £60 a week from the government. Those without job skills would be given vocational training.

But Mr. Blair warned that young people would have responsibilities of their own. "There will be and should be no option of an inactive life on benefit," he said. "Where opportunities are given, for example, to young people, for real jobs and skills, there should be a reciprocal duty to take them up."

Mr. Blair called for an "ethic of mutual responsibility" in Britain. He said: "It is something for something. A society where we play by the rules. You only take out if you put in. That's the bargain."

A spokesman for the prime minister said that unemployed young people who did not accept one of the options offered might face cuts in their benefits.

Paul McErlane/The Associated Press

LOCKED OUT — Gerry Adams, president of Sinn Fein, the Irish Republican Army's political wing, outside Stormont Castle in Belfast as new talks on the future of Northern Ireland resumed there Tuesday. Britain refuses to let in his party until the IRA calls a truce.

Pope Calls for a Europe That Includes Everyone

The Associated Press

GNIEZNO, Poland — European integration will not succeed unless all former Soviet bloc countries are invited to join and the needs of the jobless and poor are dealt with, Pope John Paul II told the presidents of seven central and eastern European countries Tuesday.

"Europeans must take it upon themselves to cooperate more fruitfully, to strengthen peace among themselves and surrounding them," the pontiff told the presidents of the Czech Republic, Germany, Hungary, Poland, Slovakia, Lithuania and Ukraine at an audience in this town in eastern Poland.

Without specifically mentioning NATO or European Union expansion, he stressed that "no country, not even the poorest, can be left out of the communities that are now being created."

And he said the "enormous tasks" of strengthening democratic institutions, economic development and international cooperation "will be fully realized only when they ensure such standards of living that would allow human beings to develop their full potential."

After their 20-minute audience with the Pope, the presidents described the meeting as extraordinary. "The fact that seven presidents met today with the Pope proves that we are searching for paths to peace and cooperation on the continent," said Lithuania's president, Algirdas Brazauskas.

While the Czech Republic, Hungary and Poland are expected to be invited this year to join NATO, other former Warsaw Pact members in worse shape worry they will not be welcome. EU expansion, meanwhile, is proceeding at an even slower pace.

During his 11-day tour of Poland that started Saturday, the Pope has not shied away from criticizing the high unemployment and increasing poverty that have accompanied the former Soviet bloc's shift to free market economies and race to qualify for acceptance into Western institutions.

At a morning Mass attended by the presidents and 250,000 pilgrims, John Paul also declared that Europe would never achieve "authentic unity" if its Christian roots were ignored.

The Mass commemorated the millennium of the martyrdom of St. Adalbert, a Bohemian seen as an advocate of European unity, who is buried in Gniezno's cathedral.

Pointing to the "tragedy" that followed the breakup of Yugoslavia and this year's Albanian crisis, the Pope said the Iron Curtain had been replaced by "another, invisible wall" of fear, aggressiveness and prejudice.

"The recovery of the right to self-determination and the growth of political and economic freedom is not sufficient to rebuild European unity," he said. "A new openness is needed."

BRIEFLY

Cyprus Protests Flights by Turk Jets

NICOSIA — Cyprus filed a protest with the United Nations on Tuesday that three Turkish warplanes had flown through its airspace.

"Turkey has opted to go down the road of provocative moves and the violation of international law and order," said a government spokesman, Manolis Christofides.

Turkey is conducting air and naval maneuvers in the eastern Mediterranean, and the overflights were believed to be connected to the exercises.

Cyprus contends that the overflights are a violation of a moratorium on military planes overflying the island, which it agreed to in April under U.S. pressure. Turkey made no similar commitment. *(AP)*

Yeltsin Wags Finger at Moscow Mayor

MOSCOW — President Boris Yeltsin of Russia on Tuesday chided the popular, outspoken mayor of Moscow, Yuri Luzhkov, telling him "not to quarrel with the government."

"I keep a constant eye on Moscow and you," Mr. Yeltsin told Mr. Luzkhov at the Kremlin, Interfax reported.

Mr. Luzhkov has accused the federal government of reneging on its promise to help organize the celebration this summer of the 850th anniversary of Moscow's founding. "The Russian government has spat on our festival," he said.

Mr. Luzhkov, who is thought to have one of the best chances to replace Mr. Yeltsin in the 2000 elections, frequently speaks out on issues that reach beyond his mayoralty. *(AFP)*

Italian Backs Czech NATO Bid

PRAGUE — Foreign Minister Lamberto Dini of Italy said Tuesday that he unequivocally supported the Czech Republic's candidacy to join NATO and the European Union.

"It would be wrong to think that the enlargement of NATO would destabilize the alliance's relations with Russia," he said.

Mr. Dini added: "The NATO-Russia charter opens the way to enlargement in agreement with Russia, which has become a partner of the alliance. And we fully support the Czech Republic's bid to join NATO, both politically and in terms of military cooperation." *(AP)*

Belgians Said to Identify Body Parts

BRUSSELS — Body parts left in garbage bags by a serial killer in southern Belgium have been identified as the remains of three women, a source close to the investigation said Tuesday.

The prosecutor's office refused to confirm the information, saying it would identify the victims in 10 days.

Fourteen garbage bags containing neatly severed female body parts have been found in the Mons area since March 22. *(AFP)*

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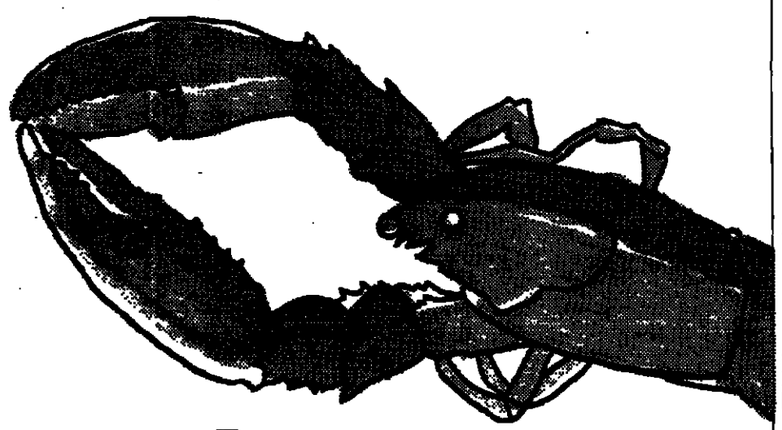

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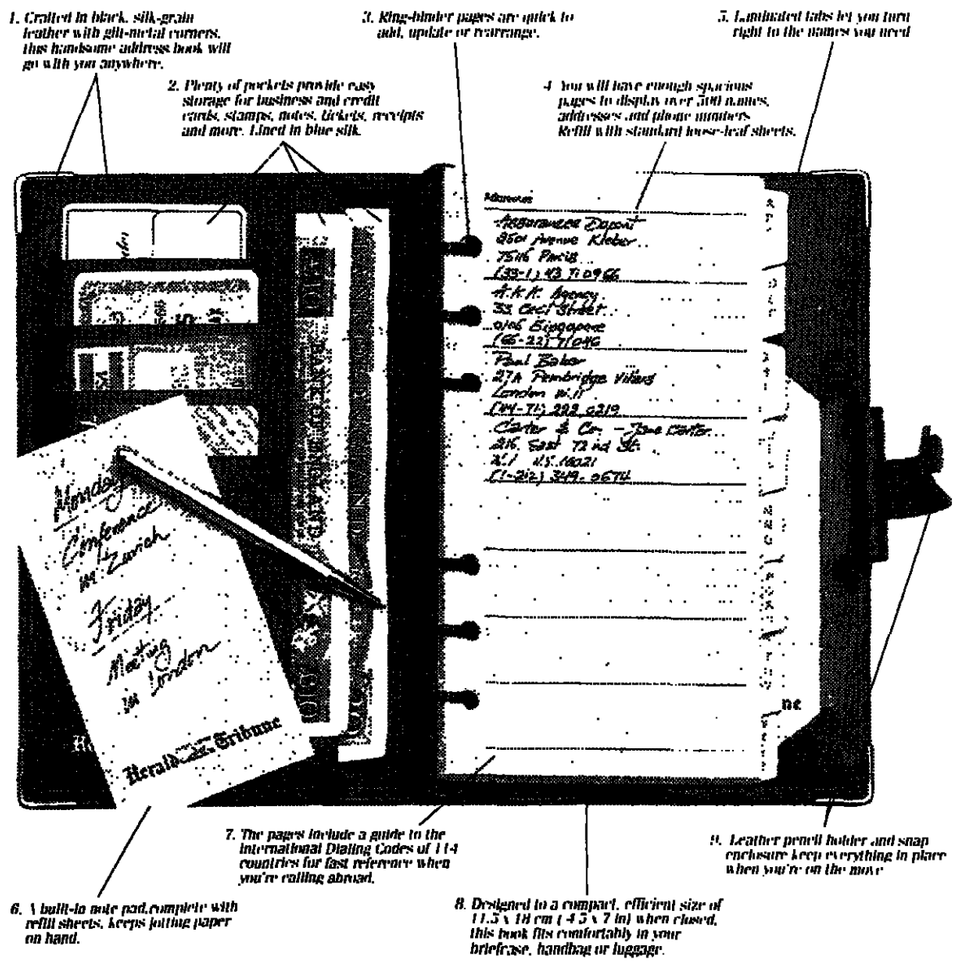

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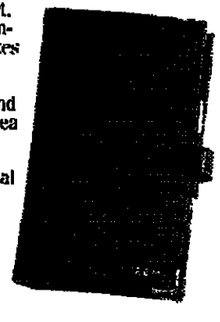

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ASIA/PACIFIC

2 Chinese Dissidents Get Jail Terms

After 6-Month Delay, Activists Are Sentenced to 3½ Years

The Associated Press

BEIJING — After a delay of more than six months, a Chinese court has announced it is sentencing two labor activists to three and a half years in prison, human rights groups said Tuesday.

Li Wenming, a former magazine employee, and Guo Baosheng, a philosophy student, were put on trial in November on charges of trying to subvert the government.

They had been held in detention since they were arrested in May 1994 for trying to start an independent labor union and distributing an unofficial journal to migrant workers.

The trial was delayed twice before it concluded in November, and reporters were not allowed to attend. Afterward, the Shenzhen Intermediate People's Court refused to announce the verdict and sentence.

Last week, the court finally released information about the sentence, which was lighter than expected, the Information Center of Human Rights and Democratic Movement in China said in a statement Tuesday.

Under Chinese law, the two men faced a minimum of 10 years in prison. The Hong Kong-based rights group said the court relied on an article of the criminal law that gives courts power to pass a lesser sentence.

Another group, Human Rights Watch, said in a statement that the charges were trumped up. It condemned the sentences as violations of international human rights standards.

Mr. Li is due to be released on Nov. 11, and Mr. Guo on Dec. 3, according to a statement from the New York-based rights group.

Spokesmen for the court and the prosecutor's office in Shenzhen, near Hong Kong, refused Tuesday to confirm the sentences or release dates.

"This information cannot be released," a court spokesman said.

In another development related to its human rights record, China said Tuesday that it would be up to Hong Kong's postcolonial government whether to permit protests marking the Chinese military's crushing of demonstrations in 1989.

Hong Kong residents have used commemorations for victims of the crackdown to register fears about China and its resumption of sovereignty over the territory on July 1.

Thousands of Hong Kong residents marched Sunday, and another demonstration is planned for Wednesday, the eighth anniversary of the military assault on student-led protesters in Beijing.

A Foreign Ministry spokesman, Cui Tiankai, said the kind of demonstrations that could be held next year would depend on the Hong Kong Special Administrative Region, the formal name for the postcolonial territory.

"It will be handled according to Hong Kong's laws," Mr. Cui said.

The incoming postcolonial government has introduced laws tightening restrictions on protests. After July 1, demonstrators will need permits, instead of just notifying the police.

The future leader of Hong Kong, the shipping magnate Tung Chee-hwa, has promised not to restrict demonstrations as long as they are peaceful and legal.

Inside China, the days surrounding the anniversaries of the crackdown remain a sensitive time for Chinese leaders, who fear any protests could spark widespread unrest.

Robyn Beck/Agence France-Presse

A soldier, left, questioning a man on Tiananmen Square in Beijing on Tuesday, a day before the anniversary of the massacre of activists.

India Moves Its New Missile Near Pakistan

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — India has moved a handful of medium-range ballistic missiles to a prospective launching site near the border with Pakistan, raising new concerns in Washington that the two enemies may have entered a provocative phase in their long-standing arms-race, U.S. officials have disclosed.

The missiles, called Prithvis, can carry conventional but not nuclear warheads. U.S. intelligence agencies have concluded that fewer than a dozen are now located near the city of Jullundur in the state of Punjab in northwest India.

The site is a long way from the factory where most of the Prithvi components were produced, at Hyderabad in southern India, and constitutes a serious ratcheting-up by the Indian military of its historic rivalry with the Pakistani armed forces, the officials said.

They expressed uncertainty about why the missiles were moved at a time when senior Indian and Pakistani officials have started moving toward reducing of tensions. But one U.S. official said that Indian military officials "may have felt some pressure" from legislators who began agitating publicly for deployment of the Prithvi as soon as its flight tests were completed this spring.

Speaking about the effort to prevent a missile race on the South Asian subcontinent, a U.S. official said, "It looks like that's starting to come unraveled."

Some intelligence officials described the movement of the missiles as the first operational deployment of the Prithvi since its development began more than a decade ago. But other officials cautioned that they did not know if all of the equipment and troops needed to fire the missiles were also at the site. One said "the best judgment" was that the requisite gear was not there.

"We know that the missiles have been moved, and in the wrong direction," a U.S. official said.

Another said: "This is going to prompt a bad reaction — even an overreaction" in Pakistan.

Sale of Arms to Iran Is Legal And Appropriate, China Says

Reuters

BEIJING — China defended on Tuesday what it called transfers of small amounts of conventional weapons to Iran, describing them as appropriate and legal.

A Foreign Ministry spokesman, Cui Tiankai, when asked about reports of Chinese sales of anti-ship missiles to Iran, said, "Regarding the transfer of conventional weapons, including missiles, China has adopted a long-standing attitude of prudence and responsibility."

Mr. Cui said any sale should not harm the peace, security and stability of a region. It should also strengthen the defense of the country involved but not exceed its needs.

China in general notified the United Nations of exports of conventional weapons, Mr. Cui said. He gave no further details. The United States imposed a trade and investment ban on Iran in June 1995, accusing it of sponsoring terrorism, a charge that Tehran denies.

Iran opposes the U.S. military presence in the Gulf and says Washington falsely accuses Tehran of expansionism in the region to scare its Gulf Arab allies into buying more U.S. weaponry.

BRIEFLY

Seoul Officer Autopsied

SEOUL — An autopsy on a South Korean riot policeman killed during campus violence cast doubt Tuesday on reports he was clubbed to death by students and supported student claims he was killed by a police vehicle.

The senior prosecutor, Shin Gun Soo, said it was possible the officer was hit by a pepper-gas launcher, as students maintained. But he added, "His death was still caused by the students."

Earlier, a leftist campus group that orchestrated the violence Monday issued a statement saying the 21-year-old policeman was one of four who were run over by an armored tear-gas launcher. *(Reuters)*

Manila Journalist Killed

MANILA — A journalist who specialized in exposing drug syndicates and police corruption was shot to death in a taxi on Tuesday as he struggled with his assassin, the police said.

The killer of Danny Hernandez, the news editor of People's Journal Tonight, a popular tabloid daily, was probably a hit man, the police said.

Mr. Hernandez had been receiving death threats from people whom he suspected were members of drug rings, according to his colleagues. His death was the latest in a string of murders of Philippine journalists. *(Reuters)*

Burma Frees Dissidents

RANGOON — Burma's military regime on Tuesday freed hundreds of pro-democracy supporters who had been detained last month to prevent their leader, Daw Aung San Suu Kyi, from holding a party congress.

Opposition sources, speaking on condition of anonymity, said most of the 316 activists believed to have been detained were released. But the status of several opposition supporters remained unclear. *(AP)*

Taleban Foes Reorganize

KABUL — The anti-Taleban alliance that was nearly defeated in a reversal of fortune last month has been restructured and renamed, an opposition spokesman said Tuesday.

"Now we have created the United Islamic Front for Salvation of Afghanistan," said General Homayoon Fauzi, contacted by telephone in the northern city of Mazar-i-Sharif. He said the head of the new group had not yet been appointed.

The group replaces the previous opposition coalition that was headed by the ousted warlord Abdul Rashid Dustam. *(AFP)*

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GENERAL

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Can Jospin's Socialists Revive French Politics?

By Joseph Fitchett
International Herald Tribune

PARIS — Could the new Socialist government turn out to be more effective than its conservative predecessors in modernizing France's economy and reinvigorating its political life?

The question surfaced Tuesday, albeit timidly, as business leaders and commentators waited for Prime Minister Lionel Jospin to indicate how he intends to proceed.

The second in command at a major French bank said: "The people around Jospin are not naïve about global economic realities and they are probably in a better position to ease through changes than the right — if they want to."

NEWS ANALYSIS

Like most businessmen, the bank official is alarmed by the Socialists' pledges to curtail economic liberalization, halt moves to privatize France's bloated public sector and channel more profits into workers' pockets.

But commentators looking for a silver lining were heartened by Mr. Jospin's insistence that reforms should be introduced over time, not as a hasty populist move. A cautious approach may also help the Socialists use their programs as leverage for concessions — for example, increasing flexibility in a rigid labor market or by adjusting social benefits.

Prominent in French memory is the precedent of the Socialists' first period in office, when President Francois Mitterrand, two years after winning election in 1981 on a joint platform wit the Communists, dropped his ideolgical agenda and set a centrist course deigned to keep France in step with Germany and pursue European integration.

In the next five years, the Scialists modernized many features of th economy, terminating the inflationar system of wage indexation, ending pricecontrols and freeing foreign currency echanges — changes that had been tabo for conservative governments. Comig from the left, the shift was generally rcepted as necessary, even by many unins.

But the Communists denounced the government's shift to auterity and bolted from the coalition, a etback that helped cost the Socialists te next parliamentary election. But nen they returned to power, successve Socialist governments stuck to thir new pro-European orthodoxy of conomic liberalization, carrying may center-leftists along.

As a move toward ne center, the Socialists' embrace of te market economy helped establish heir credibility with a broader electora:. And it is credited with instilling a nw economic sophistication on the le' and fostering a recognition, still new to many French people at the time, nat business, not government, is the only sustainable source of wealth andemployment.

That thinking has ot perished among the Socialists in thet four years out of power. But they remain far from sharing the British Labour Party's readiness to replace government intervention with laissez-faire policies. Instead, French Socialists believe that a strong state role is part of the nation's culture and that government largesse can be used to promote gradual convergence between unions and business.

"These guys are not promising to change the world," said Francis de Witt, editor of La Vie Francaise, a financial magazine. "They're saying that they want to modify the future — which is going to take time and cost less."

Other analysts said, for example, that the Socialists eventually will be forced by economic reality to proceed with privatizations, including that of France-Telecom, that they have pledged to halt.

"No French government can balance next year's budget without the 50 billion francs from selling France-Telecom," Mr. de Witt said.

More generally, Socialist economists recognize that state ownership severely handicaps companies from seeking foreign alliances in such sectors as airlines and defense, where the dominant international players are private companies.

But in any future privatizations, the government will repackage its approach, eschewing the company-to-company sales favored by conservative governments — often seen as sweetheart deals by some sectors of French opinion.

The crumbling credibility of the mainstream left and right is blamed for the increasingly violent strike tactics of farmers, truckers, even bank employees, and for the increasing virulence of Jean-Marie Le Pen's extreme rightist National Front.

Mr. Jospin promises to be the antidote. "He may be the man who reconciles the French with politics," the conservative newspaper Le Figaro said.

Mr. Jospin's aides say that conservative governments failed in reform efforts because they provoked confrontation instead of engaging in dialogue. In contrast, they said, the idea of negotiating lies at the heart of controversial Socialist proposals to create 700,000 new jobs and to mandate a shorter work week at the same pay.

None of those proposals will go into effect, the aides said, until they have been shaped by a national jobs conference this summer involving unions, employers and government in a search for common ground. "Getting them pregnant" is a phrase that Mr. Jospin's aides have used to describe the Socialist tactic.

Paul Prouse/Agence France-Presse
Mr. Jospin sending off Alain Juppe on Tuesday after the departing prime minister vacated his Hotel Matignon office.

McVeigh Judge Moves to Bar Testimony Inciting Jury

The Associated Press

DENVER — Saying that he wanted to avoid "a lynching," a federal judge barred testimony Tuesday during the penalty phase of Timothy McVeigh's trial from any bombing victims who were emotionally influenced by previous witnesses.

"Care must be taken here to ensure that the next phase of the trial be one within proper constraints," Judge Richard Matsch of U.S. District Court said during a hearing on penalty-phase motions.

The judge said he would prohibit any testimony that would inflame or incite the jury. "The penalty phase hearing here cannot be turned into some type of a lynching," he said.

The federal Victims Rights Act allows crime victims to attend trials and testify about the impact the crime had on their lives. But Judge Matsch said that he believed the law allowed him to restrict any witness he determined was prejudiced through testimony during the guilt phase of the trial.

Mr. McVeigh's attorneys asked Judge Matsch on Tuesday to prohibit all testimony from bombing victims and relatives, calling their views "tainted with inflammatory trial testimony."

Heading into court Tuesday morning, a prosecutor, Vickie Behenna, said that the penalty phase could be the most difficult part of the trial, because Colorado jurors have been reluctant to sentence convicted killers to death. The state has five persons on death row.

The jurors can sentence Mr. McVeigh to death by injection, life in prison or a lesser sentence determined by the judge. Some jurors expressed reservations about the death penalty during the jury selection process, but all said they could impose it if justified.

If the jury cannot unanimously agree, Judge Matsch can impose a sentence of up to life in prison without parole. If the jury decides Mr. McVeigh should be executed, the judge cannot overrule it.

FRANCE: *Communist Party Recommends Joining Jospin, Assuring Him of Majority*

Continued from Page 1

job-creation program.

Although the Socialists and Communists reached a pre-election pact, Mr. Jospin is awaiting the results of a public finances audit next week and a law revising the 1997 budget next month before moving ahead with campaign pledges, notably to create 700,000 jobs.

The Communists last entered the government after the 1981 legislative elections, but they left in 1984 when the Socialists under President Fancois Mitterrand veered to the right.

During the campaign leading up to the elections last week, the Socialists said that they would push for a relaxation of the strict conditions for joining the European single currency, including the requirement to hold the national deficit to no more than 3 percent a year.

France's deficit this year was expected to be at least 3.4 percent, leaving a hole that the previous conservative government had intended to plug with the proceeds from the sale of France Telecom, the state-owned telecommunications company. The sale has been put off with the victory of the Socialists, who had promised to halt the previous government's program of privatization.

Mrs. Guigou said that the Treaty on European Union "must be completed on certain points," including a "chapter on jobs."

"Institutions must be reformed to enable Europe to decide and to be more democratic," she said.

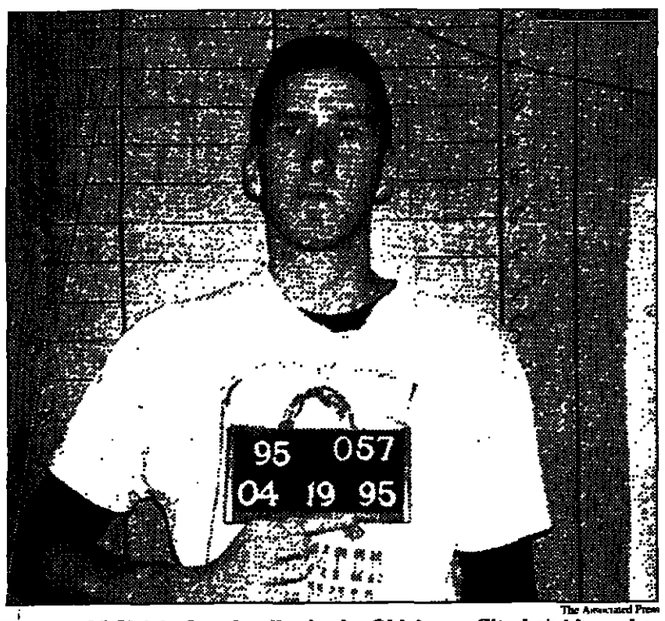
The Socialist Party spokesman, Francois Hollande, said that France was not seeking a modification of the Maastricht treaty, but of the way it is applied.

The conservative opposition plunged into a leadership crisis following the decisive electoral defeat of former Prime Minister Alain Juppe. Several senior members of the Gullist party, Rally for the Republic, called for Mr. Juppe's removal as party leader.

Mr. Jospin, manwhile, worked on the formation of his cabinet, which was expected to have about 15 members, including as may as five women. Mr. Jospin made i clear that he wanted a government fee of the corruption that has dogged previous administrations.

After completing his cabinet, Mr. Jospin is exected to attend a meeting Friday of European social democratic parties in Malmo, Sweden. He is scheduled to meet with Prime Minister Tony Blair of Britain on June 11, to attend French-German summit talks in Poitiers on June 13, and to represent France along with President Jacques Chirac at the European Union summit meeting in Amsterdam on June 16 and 17.

Mr. Jospin's immediate priority is the reduction of the 12.8 percent unemployment rate. But in a disappointing check to



The Associated Press
Timothy McVeigh, found guilty in the Oklahoma City bombing, photographed in a county jail hours after the explosion on April 19, 1995.

VERDICT: *Oklahoma City Victims Demand the Death Penalty*

Continued from Page 1

towns that surround it, the people who lost something in the explosion said the same thing, over and over: that the verdict is a victory on paper.

It ensures that Mr. McVeigh will pay for his crime somehow. The penalty phase of his trial, the battle for his life, is what counts here.

The same federal jury that took four days to convict Mr. McVeigh will now decide whether he will die by lethal injection or live in prison.

As the days dragged by and no verdict came, some victims began to fear the unthinkable. It had happened to the Goldman and Brown families in the O.J. Simpson murder trial, they warned each other. It could happen here.

Instead, a great many people talked about renewed faith in the justice system.

"It was beautiful," Jannie Coverdale said about the prosecution's case. Mrs. Coverdale lost two grandsons in the bombing and became one of the most visible examples of its cost. Aaron, 5, and Elijah, 2, died in that avalanche of concrete as they played in the building's day-care center on April 19, 1995.

Mrs. Coverdale went to the trial every day in Denver. "It was like they had a puzzle they were putting together," boxing Mr. McVeigh in, she said of the prosecutors in a telephone interview.

The survivors and victims talked hopefully of another victory in the penalty phase. How, once the jury is privy to so much pain, can it deny them Mr. McVeigh's life?

Ronald Fields, who tends the newspaper printing press at The Daily Oklahoman, lost his wife, Chip, who worked in the federal building.

"All she lived for was her family, her garden and her home," Mr. Fields said. "He took away my past, my present and my future."

It was the same with Tina Tomlin in nearby Piedmont, who lost her husband, Rick. Her entry in the phone book, two years after his funeral, still reads "Rick and Tina."

"I can take a step toward healing," Mrs. Tomlin said. But, if the jury votes for his execution, "there will be joy. I only wish they would let me do it."

Mr. McVeigh's act taught some people here how to hate. But the hatred he delivered in his rental truck is not the chaos he hoped for.

People joined, across lines of color and money and religion, against him, against the militias, against conspiracy rhetoric that, before this, had been so much less menacing to them.

"He got the attention he wanted, but he did not win," Mrs. Tomlin said. "If anything, he brought us closer, people of all races."

Their hatred is like a laser, glowing, steady, narrow. Even the ones who say they do not hate him said, in the next breath, that they want him to die for the damage he caused.

Jim Denny and his wife, Claudia, saw both of their children, Brandon, now 5, and Rebecca, now 4, badly injured in the explosion.

Rebecca received 133 stitches above the neck. Brandon, who had a quarter-size hole blown in his head, spent 17 days in intensive care and endured four brain surgeries.

"We've never had any anger," he said. "Our system will show that there will be accountability. The justice system works."

He will testify at the penalty phase. He thinks the death penalty is the only acceptable penalty, the only reasonable one. His children were too young to understand what happened to them. One day, he said, they will ask, and Mr. Denny said he would tell them the truth.

Sometimes, he said, Rebecca talks about "the bad building. About the thunder and the lightning."

Later in the evening, victims, survivors and people who just wanted to be part of this good news gathered at a tree near the bomb site. The tree, shredded by the blast, had appeared to be dead, little more than a tall stump.

But it now seems to be thriving. Here in Oklahoma City, people see it as a symbol, a sign that in the middle of so much destruction, life can begin again.

Bud Welch, 57, lost his daughter, 23-year-old Julie Marie, who, he said with pride, spoke five languages. He is one of the few people who does not want McVeigh to die.

"My little girl was killed 40 feet from where we are now standing," he said. "I don't need another death."

GOLD: *Bonn Retreats on Revaluing Reserves as Way to Join Euro*

Continued from Page 1

their hands," said Michael Lewis, a economist for Deutsche Morgan Grenfell. "There are no good options."

Mr. Waigel put on the best front possible Tuesday, renewing his call for more spending cuts and an accelerated program to sell off government-owned companies. Mr. Waigel said he hopd to take in an extra 56 billion this yer by selling off part of the government's take in Deutsche Telekom, the state-owned telephone company. He and others in Mr. Kohl's Christian Democratic coalition have also begun pressing for other sources of increased revenue, such an increase in the tax on mineral ols and gasoline.

But tax increases are highly unpopular, given that Germans already pay some of the highest taxes in the world, and they are fiercely opposed by the junior partner in Mr. Kohl's center-right coalition, the Free Democratic Party.

An increasing number of influential Germans have begun arguing that the country should retreat from its single-minded focus on precise numbers and look more at the underlying stability and direction of a country's fisca and economic policies.

"We have been of the view for some time that the deficit in 1997 will be about 3.3 or 3.4 percent of gros domestic product, largely because a continued high unemployment," said Dieter Vesper, senior economist at te German Institute for Economic Research, an independent research organization in Berlin. "But over the middle tem, Germany should have no problem ad should by all means qualify for the euro."

Indeed, the Bundesbank's president, Hans Tietmeyer, has himself repeatedly said that countries should be judged less on the exact numbers as more on the "sustainability" of their economies. In most cases, he has used the argument as a way to discourage countries like Italy or Spain from using bookkeeping tricks to spruce up their image. But Mr. Tietmeyer has always been careful not to echo Mr. Waigel's insistence that "3 percent means 3 percent."

Under the proposed old revaluation, the Bundesbank would have recalculated the value of some of its gold reserves from their cost at acquisition to current market prices. That would have translated to a paper profit of about $23 billion, half of which would have been transferred to the federal government this year.

But the plan ran into staunch opposition from Mr. Tietmeyer.

Tuesday, Mr. Waigel and Mr. Tietmeyer met in Bonn and hammered out a "compromise" that gave the Bundesbank everything it wanted. Under the plan, the revaluation would be delayed until 1998 — too late to be applied to the 1997 deficit. Mr. Tietmeyer had never objected to a revaluation in principle, but had objected to using the paper profit to help Germany solve its euro problem.

John Schmid of the International Herald Tribune reported earlier:

The retreat Tuesday marks the latest setback for the Bonn government after unions and opposition parties for the past year have stymied Mr. Waigel's budget cuts and austerity measures. And it perpetuates the image of policy desperation for Mr. Kohl, who faces a national election next year.

"It still leaves Waigel in a complete hole in terms of the budget deficit, the same fiscal hole he was in three weeks ago," when the revaluation idea was proposed, said Darren Williams, economist in London at UBS Ltd. in London. "But in the meantime, he has managed to severely damage his own credibility and the credibility of the German government."

CHINA: *The Fragile State of Activism*

Continued from Page 1

state. The forces against political change are too strong, and the forces calling for change too weak, to prevail."

The government is taking no chances. Last weekend, the police sealed off Beijing University to isolate the campus on which the 1989 protests began. The effort hardly seemed necessary given the conservative student opinion these days. One student asked recently, "What's the point of wasting your life in jail?" Although he sympathized with the goals of Mr. Wang and Mr. Wei, he said he saw no productive result to such sacrifice.

This anniversary of the 1989 protests falls between two key events: the death of the senior leader Deng Xiaoping and the autumn Communist Party congress, which takes place every five years. At one time, democracy advocates hoped that a reassessment of the 1989 protests and liberalization might be possible after the death of Mr. Deng, who ordered the crackdown that resulted in the deaths of hundreds if not thousands.

Analysts scoured President Jiang Zemin's eulogy at Mr. Deng's memorial for signs of a change in the verdict on the protests, but Mr. Jiang has remained vague on the issue.

"To hold firm the ideas of Deng is to hold firm the ideas of Marx and Mao," Mr. Jiang said Thursday to senior party officials at the Central Party School graduation ceremony. "We must continue to push forward reform of the political system."

Some analysts say that even if democracy supporters could muster enough strength, it might not be the best time for protest. "Demonstrations for democracy in the post-Mao era have proved to be counter-productive," Mr. Goldman said. "The reactions against them have undermined so many of the gains."

The party's reaction against demonstrations in 1986 led to the purge of Hu Yaobang, a party leader who advocated reform. The 1989 crackdown ended a decade of public political debates and the establishment of relatively independent political research organizations that could influence policy-making.

It foreshadowed the pursuit of personal gain. Chinese have immeasurably more freedom in economic and personal realms than in earlier times, but cannot cross the line into politics, which the Communist Party regards as its monopoly.

"The decade of the 1990s has brought more cultural, individual and social freedoms, but there is much less political freedom than existed in the 1980s," Mr. Goldman said. "That is the tragedy of the June 4 events."

CANADA: *Chretien Hangs On to Power*

Continued from Page 1

district in Quebec late Monday, "and that we will do."

But the election did not turn out to be the cakewalk Mr. Chretien had envisioned when he called it in late April. The Liberals lost support throughout the campaign as the four major opposition parties focused on the prime minister's failure to scrap unpopular taxes as he had promised. The Liberals were also hammered for their austerity budgets, which reduced spending on health, welfare and higher education by $10 billion a year, and for their inability to lower the unemployment rate.

But as Canada's 18 million registered voters went to the polls it became clear that while voters complained about the budget restraints, many agreed with Mr. Chretien's approach of focusing on eliminating the budget deficit.

Mr. Chretien could face a rocky period of confrontation in the next Parliament, given that Reform, a rightist populist party, won the second highest number of seats. Perhaps anticipating the strife to come, the prime minister put out a call for unity among the parties.

"The Canadian people expect all of us to carry out our responsibilities in accordance with long-standing Canadian values of tolerance, openness, generosity and inclusion," he said. "That I will do."

The Reform Party sprang from the prairies and mountains of western Canada but was unable to gain ground in Ontario as its leaders had hoped.

"The reduced support for the government is surely a warning that the government must heed," said the Reform leader, Preston Manning. "The warning is that you cannot break your promises."

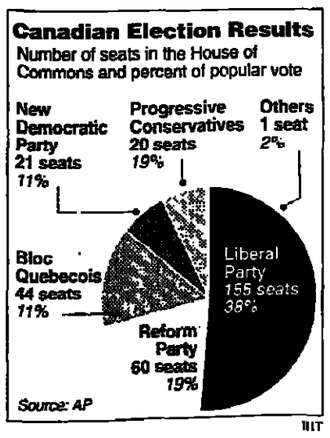
Reform takes a hard line on Quebec separation. As the official opposition in the House of Commons, it will have substantial power to shape the upcoming debate over what to do about Quebec.

The leader of the Quebec separatist party left no doubt that the bitter struggle for Quebec independence was not over.

"I'm convinced more than ever that the future of Quebec lies in the sovereignty of Quebec," said Gilles Duceppe, the leader of the Bloc Quebecois.

The short campaign never really caught the attention of voters, who suspected Mr. Chretien of opportunism by calling the election so early. The prime minister also was criticized for calling the election while a good part of the province of Manitoba was facing a historic flood.

New laws made this the shortest campaign in Canadian history, and one of the most tightly controlled. News outlets were prohibited from reporting poll results for 72 hours before the election, so they would not influence voters. Voting hours were staggered across the country, and the media were prohibited from reporting results of early voting in any areas where polling places were still open.



COUP: *Marines Evacuate 1,200 Foreigners*

Continued from Page 1

Leonean forces lay siege to the building throughout Monday, attacking it with heavy machine guns, mortars and rocket-propelled grenades.

"I have never seen anything like that in my life, and hope never to see anything like it again," a Lebanese man who had taken refuge in the hotel said in a telephone interview. "The building was on fire from all of the hits we had taken, and we were just left to shudder through the whole day. Many of us assumed that our lives had reached their end."

At day's end, however, a cease-fire was negotiated that allowed the foreigners to leave the hotel in a convoy set up by the International Red Cross. With the foreign refugees taking up shelter in another hotel, Washington ordered that a third and probably final evacuation be mounted.

Among the evacuees were about 30 Americans, believed to be among the last U.S. citizens in the country, and the British high commissioner to Sierra Leone, whose departure signaled the closure of the last Western embassy in the West African state.

According to international and Sierra Leonean radio broadcasts, there was no new fighting in Freetown on Tuesday.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Straight Balkan Talk

Secretary of State Madeleine Albright promised a new level of candor when she took charge of American foreign policy. She delivered during a weekend visit to the Balkan region. In remarkably blunt conversations with the leaders of Croatia and Serbia, she made plain that they had failed to carry out many of the provisions of the Dayton peace agreement.

Mrs. Albright employed a vocabulary not commonly used in diplomatic discourse, especially in public comments by secretaries of state. At one point she told a startled Croatian cabinet member that she was "disgusted" by his government's failure to prevent violent attacks against Serbian refugees trying to return to their homes in Croatia. "You should be ashamed of yourself," she lectured Jure Ganic, the reconstruction minister. Earlier she had accused him of lying.

She told Franjo Tudjman, the Croatian president, that he had not shown "moral leadership," and she lectured Serbian President Slobodan Milosevic about "stonewalling." Both men have brazenly thwarted a host of Dayton provisions, including those promising peaceful resettlement of refugees, development of a free press and surrender of political and military leaders indicted for war crimes. It will be hard to secure a durable peace in Bosnia without their compliance.

Mrs. Albright's remonstrations and the more determined U.S. policy behind them may not budge the Balkan leaders. But they can no longer complain that Washington's views are unclear.

— THE NEW YORK TIMES.

The McVeigh Verdict

Americans learned after the O. J. Simpson trial that it is unwise to predict what any given jury will do. So as they gathered around radios and television sets Monday afternoon to hear the verdict in the McVeigh case, tensions were running high — nowhere more so than among the groups of bombing victims and survivors waiting in Denver and Oklahoma City. The verdict of guilty on all 11 counts was not really a surprise, given the strength of the government's carefully constructed case. But it was at least a relief for those who had waited for justice for more than two years.

Even if the verdict had been different, there would be no room for complaint about the way this trial was run. Judge Richard Matsch was in firm control throughout, and his demeanor and strong leadership were reflected in the conduct of the attorneys and jurors. All the participants appeared determined to preserve the dignity of the courtroom and to keep in mind at every moment the gravity of the occasion and their own responsibility to conclude the matter fairly and without undue delay. This, of course, is how trials ought to be conducted and usually are. The odd thing is that it is necessary at all to remark on the absence of laissez-faire judges, publicity-hungry lawyers, squabbling jurors and book contracts.

The word "closure" was much bandied about Monday afternoon, as in "Even though you lost your young wife and beautiful baby in the explosion, don't you have some sense of closure now that the trial is over?" It's the wrong word. For the victims and survivors there will never be a resolution of their loss, a conclusion to their grief. But there was a sense of justice, a renewal of faith in the system so reviled by the now convicted mass murderer.

In spite of the rage of a nation and the enormity of his crime, Timothy McVeigh was not rushed to judgment. He was accorded all his rights, including fine lawyers and an eminently fair trial. The jurors took the time to weigh all the evidence, and although that worried some of the Oklahoma City families on Sunday, the jury reached a verdict that seems right in every respect, and must be enormously comforting to the survivors.

— THE WASHINGTON POST

A French Warning

French voters did more on Sunday than force President Jacques Chirac into an unwanted and unwieldy governing partnership with the Socialist opposition. They also sent a warning likely to resound through Europe, especially in other high-unemployment countries of the European Union like Germany, Italy, Spain and Greece. Governments that demand cuts in the welfare state to meet the eligibility conditions of a single European currency do so at considerable political risk.

That warning must now be carefully weighed by German Chancellor Helmut Kohl, who plans to run for reelection next year. The French vote will also be studied by Italy's ruling center-left coalition, which plans to cut pensions to qualify for the currency. Lionel Jospin, the French Socialist who was named prime minister Monday, will find it hard to reconcile his new government's spending for jobs and protection of social benefits with France's commitment to the single currency.

It now seems likely that the timetable for introducing the new currency, the euro, as early as January 1999 will have to be reconsidered. That is equally true for the requirement that the budget deficits of qualifying countries not exceed 3 percent of gross domestic product. The question is how far those rules can be stretched without making a single currency unworkable in practice.

French voters are among Europe's most resistant to revising the common postwar social contract. Their belief in France's ability to maintain its distinct national identity and culture has survived the emergence of a globalized economy and membership in an increasingly integrated European Union. Benefits like job security, high unemployment pay, paid medical care and early retirement are considered hard-won achievements. Many economists, however, blame this system for France's double-digit unemployment rates.

Since the early 1980s, politicians of left and right have been punished at the polls for policies suggestive of the Margaret Thatcher model of individual risk and reward. Left-wing voters began flocking toward the far-right, anti-immigrant National Front after the Socialists embraced austerity budgets 15 years ago. Chirac attracted many of these disillusioned voters in 1995, running on a Gaullist platform of conservative social values and a strong defense of the paternalistic welfare state.

But the policies that worked for de Gaulle in the postwar decades proved unworkable in the 1990s. Chirac abruptly repackaged himself as a budget-cutting free-marketeer, an approach voters have decisively rejected. Chirac and Jospin now find themselves under many of the same pressures that destroyed past governments. Even if the euro is delayed or its conditions eased, France faces a painful adjustment of its high expectations.

— THE NEW YORK TIMES

Other Comment

Hurdles for Foreign Policy

[The American] Constitution is unique in creating a government which enshrines the "separation of powers." This means that we require a national consensus before we can create or sustain a major foreign policy.

With the end of the Cold War, the public's interest in foreign policy has shrunk. In the recent election, only 2 percent of the American people felt that foreign policy was the most important issue. By contrast, in 1984 some 30 percent of the public thought so ... The disappearance of the Soviet threat has left the field open to domestic interest groups that have their own special axes to grind. Thus domestic constituencies acquire an excessive influence over our foreign policy. As a direct result, our foreign policy lacks coherence.

That tendency has in recent years been reinforced by the weakening of the traditional concept of America as a melting pot. That results in a loss of the sense of common purpose on which we must depend to establish a national consensus. Ethnicity has become the norm. To speak of the national interest in the abstract is simply to invite a rebuke.

— Former Defense Secretary James Schlesinger, in a commencement address at the University of North Carolina.

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Japanese Are Used to the Long Arm of the State

By Sheldon Garon

PRINCETON, New Jersey — Why do the Japanese not eagerly embrace the ideals of free markets, deregulation and consumer sovereignty?

Japan's business community has welcomed the guiding hand of the government in industrial policy. Few outsiders realize the extent to which the Japanese state has also promoted economic development by actively managing and mobilizing society itself.

To most Japanese officials and business people, the country's ability to compete in the next century rests in good part on maintaining safe streets, intact families, the work ethic, low welfare spending and high rates of saving. These favorable conditions are not expected to endure by themselves, but to depend on the government's continuing efforts to mold the behavior of the people.

Only by recognizing the widespread commitment to "social management" can we make sense of the current Japanese debate over deregulation.

Take the Blue Bird Plan put forward by the leading employers' federation, Nikkeiren. Echoing American free-market thinkers, the proposal boldly seeks to eliminate government regulations that raise production costs and erode international competitiveness.

Yet in attacking high prices, the business federation calls not for freer markets or an end to the inefficient distribution system, but for a massive government campaign to "educate" consumers to spend less money on goods. Consumers, the manifesto complains, have brought about the country's high price levels, paying top yen for brand names regardless of quality.

The Blue Bird Plan recommends against following either the U.S. or the European economic models. Japanese must find, in the words of the song, their own "blue bird" of happiness.

In no other democracy has the government mobilized the public behind strategic economic policies as successfully. Campaigns to promote household saving are a prime example. The Japanese on average save 13 percent of disposable income.

With great fanfare 11 years ago, the government announced plans to stimulate consumption. Yet Japan remains the only advanced economy with an official agency devoted to encouraging saving. Established in 1952, the Central Council for Savings Information works with local schools and civic groups to inculcate habits of thrift.

The government has successfully dampened public expectations of more generous welfare programs for the elderly. Social spending has steadily risen as the population ages, but Japan has thus far avoided many of the costs that Western nations pay to institutionalize the frail or support the independent living of healthy seniors.

About 55 percent of Japanese aged 65 and older were living with their children in 1994. The comparable figures have dropped below 20 percent in Western societies.

In a deft public relations campaign spanning the last two decades, officials and a cooperative media have persuaded the public that only if families, particularly wives, continue to care for the elderly will Japan escape the rising costs of entitlements.

Women play central roles in the government's social management. Millions belong to local associations. These sometimes take issue with national policies, but for the most part provide the ground troops for the many official campaigns. They promote household saving, discourage use of credit cards and assist the police in crime prevention. In addition, women constitute the vast majority of the 5 million "volunteers" whom the central bureaucracy has aggressively recruited to serve as unpaid social workers.

Japan's preoccupation with managing society has a long history. During the first half of the 20th century, few areas of life escaped supervision by the state. People were exhorted to save more, buy fewer imports and work harder to avoid relying on public assistance.

Flourishing brothels became instruments for strengthening the nation. State regulators explained that licensed prostitution served to satisfy the urges of husbands and thus preserve family units. Prostitutes enabled single men to forgo marriage, and thus to avoid the costs of supporting families and so reduce aggregate national consumption.

Japan became a more democratic polity after World War II, but many of the cozy relationships between the state and civic associations persist today.

There is something appealing about the government and local activists working together to improve communities or teach methods of sound personal finance. On the other hand, close relations between the state and civic groups inhibit the rise of more independent movements that might challenge the government's anti-consumer orientation and miserly welfare programs.

For better or worse, these patterns of social management remain a fundamental fixture of the Japanese political economy.

Los Angeles Times

The French Have Their Say: Bold, Vengeful and Impractical

By Jim Hoagland

WASHINGTON — The consequences border on the cosmic: France's bristling rejection of President Jacques Chirac's conservative coalition in parliamentary elections calls into question the future of European integration, the pace of economic globalization and impending reform of NATO's military structure.

Not bad for a Sunday's work, *mes amis*. You French voters have shown that you still count in a world of seemingly inexorable, impersonal political and economic forces.

You punished Mr. Chirac and his prime minister, Alain Juppé, for deceiving you, even if it means leaving the French political scene in chaos, making it unpredictable and a drag on Europe's economic recovery.

Which it does. You have taken a road that is at once vengeful and romantic, as heroic a gesture of cutting off one's *nez* to spite one's *visage* as I can remember. You have wrought an unworkable political situation that you will have to go back to the polls to rectify in a year or two.

Mr. Chirac, elected comfortably two years ago, and who still has five years to go on his presidential mandate, clearly did not believe that you would do this. He called these elections a year early because he thought he could keep control of the National Assembly now, with a reduced conservative majority, whereas he was likely to lose in 1998. You voters just as clearly did not like this electoral opportunism.

As in so much he does, Mr. Chirac's instincts were laudable and his vision faulty. From day one of his presidency he has seen time as an ally he controlled. When elected in 1995 he was the only Western leader "with a foot firmly planted in the next century," as an aide said. He would be president at least until 2002. He and Mr. Juppé could wait, ride out bad polls, get their parliamentary ducks in a row for the next five years.

Even after public protests forced them to drop a tentative effort to overhaul the expensive welfare system, Mr. Chirac and Mr. Juppé temporized, failing to cut the 12.8 percent unemployment rate as they had repeatedly promised to do. They did not seem even to try seriously to fulfill their campaign promises in their first two years.

Now the victorious Socialists have made their own undeliverable promises, swearing to let you keep your favorite government-financed programs, increase government employment and cut the deficit.

The novelist Philippe Labro got it right in telling me last Friday that the right would lose on Sunday: "We French are incapable of making the changes in our lives that the reality of the new global economy demands. So now we change governments instead every two years and pretend we are changing our lives."

Mr. Chirac and Mr. Jospin must now cohabit in their separate works of political fiction under your vengeful eye.

In calling this election before he had results to show, Mr. Chirac disregarded an observation made more than a decade ago by the late Emmanuel de Margerie, then French ambassador in Washington: "Treat a Frenchman as if you have fooled him or cuckolded him, and you will have an enemy for life."

Mr. Juppé paid the price for your feeling that you had been fooled in 1995. One of the best foreign ministers France has had in this half-century, he was politically unconvincing as prime minister. He came to symbolize a political class that you seem to feel has lost touch with your concerns and lives.

You punished the Socialists in 1993 by giving Mr. Chirac's neo-Gaullists and their center-right allies a huge majority in Parliament. Now you punish the right by voting in a working majority of Socialists, Communists and Greens that will, among other things, freeze Mr. Chirac's attempts to reintegrate France into NATO's military wing. They are lukewarm to hostile on a single European currency and other provisions of the Maastricht unity treaty.

The late President François Mitterrand, who was as devious, patient and cynical as Mr. Chirac is straightforward, impulsive and impressionable, manipulated power sharing with delight. It will be an unsustainable ordeal for Mr. Chirac. He can only hope that you will remember Mr. Jospin's promises.

The Washington Post.

The People of Hong Kong Should Focus on the Longer Term

By Gerald Segal

HONG KONG — Britain can take enormous pride in Hong Kong. Never before has colonial rule ended with such prosperity and so rich a civil society. For this reason alone, Hong Kong's prospects, at least in the short term, are good. But what lies beyond that?

There is a worrying erosion of civil liberties in the territory, yet the main focus of attention should be the longer-term challenges. China and the outside world can affect the outcome, but the key lies in the will and wits of Hong Kong's people.

The most important challenge is how to reshape the economy. Like other developed East Asian economies, Hong Kong has to learn to live in an increasingly competitive world with a "hollowed out" industrial base. Many of its industries have shifted to neighboring southern China, where land and labor costs are lower.

The business leaders who surround the chief executive-designate, C. H. Tung, often seem short of ideas about how to enhance Hong Kong's competitiveness. It is far from clear that rule by business tycoons will be better at meeting the future challenges than rule by a distant London and a first-class local professional civil service with a laissez-faire approach.

The competition among the business interests in Mr. Tung's team largely explains their lack of credible economic vision. Some talk of a "new industrial policy" with echoes of China; others of a "high-tech" Hong Kong. Yet others note the need to improve the environment.

All agree that housing policy needs to be improved to reduce rents and attract more talented workers. But there are some in Mr. Tung's team who will lose a fortune if real reform is undertaken and land prices fall.

An efficient service economy, let alone a high-tech Hong Kong, will need to raise standards of higher education. Yet Mr. Tung's team speaks of more investment in primary education. A brain drain in recent years and fear among local university staff that Chinese rule will erode academic freedom make Hong Kong less ready than Taiwan, South Korea or Singapore for post-industrial competition.

The current obsession with short-term challenges to human rights and democracy also obscures the difficult questions of political reform. The grudge match between the British government and the incoming team over the legality of the Provisional Legislature is insignificant when compared with how groups in the new legislature to be elected by July 1998 will form political parties and vie with the chief executive and his Executive Council for real power.

According to the Basic Law, half the new legislature will be fully elected in 2003. If two-thirds of the legislature agree, and the chief executive assents, Hong Kong can then have a fully elected Parliament on the basis of universal suffrage. How would such a body relate to an unelected chief executive? Will Hong Kong have elections for a "chief minister," with a real cabinet and a majority of seats in Parliament?

Such far-reaching democratic reforms are there for the taking, but the people have to agree on their design and then vote for them. If they are determined to defend their rights under the Basic Law, they can make the current debates about their limited democracy seem like the detritus of colonialism.

Yet another challenge is how to deal with what some of Mr. Tung's advisers call "Beijing's shoe-shiners." The chief executive is often pilloried for being China's poodle, but, as anyone who meets him knows, he is by nature a careful conservative in a Confucian mold.

He needs no instructions from Beijing to take a tough line on dissidents or street protests, because he naturally stresses the importance of obligations to society more than individual rights. But his advisers acknowledge the problem with some of their number (the shoe-shiners) who are too quick to try to please Beijing and do not think hard enough about what is best for Hong Kong. When China itself is so decentralized and divided on major policy issues, there are inevitably shoe-shiners peddling different policies.

In such circumstances, there is virtue in Mr. Tung seeking support from Beijing to control interests in neighboring Guangdong Province which want a larger slice of Hong Kong's economic pie. He will certainly need powerful friends in Beijing if he is to control the Chinese armed forces, who are doing business in Hong Kong, or the mainland "red chip" companies who are muscling in by advertising their high-level contacts in China.

These are all challenges that Hong Kong can meet. But if it continues to focus on short-term issues, especially debates about the rights and wrongs of the past, it will be poorly placed to meet the longer-term challenges.

The writer, a senior fellow at the International Institute for Strategic Studies and director of Britain's Pacific Asia Program, contributed this comment to the International Herald Tribune.

Toward a Color-Blind America

By James K. Glassman

WASHINGTON — "I have a dream," said Martin Luther King Jr. 34 years ago, "that my four little children will one day live in a nation where they will not be judged by the color of their skin, but by the content of their character."

That was a call for a color-blind society. But over the years, instead of doing all they could to demolish distinctions of race, government agencies have emphasized them. Now at last things are changing.

Two trends are accelerating, one social and one legal. The first is that more and more blacks are marrying whites. The second is that affirmative action is crumbling.

In 1993, one in eight African-American marriages included a white spouse. Since 1970, the number of children in homes with a mother and father of different races has quadrupled.

The trend could lead, as Jim Sleeper writes in Harper's, to "the implosion of the identity of blackness — and, with it, of whiteness."

The Office of Management and Budget will soon decide whether to recommend a "multiracial" box on government forms. Representative Tom Petri, Republican of Wisconsin, has introduced legislation he calls the "Tiger Woods Bill" to require such a checkoff in the next census.

Mr. Woods, the sensational young golfer, considers himself multiracial. "Growing up, I came up with this name: I'm 'Cablinasian'" — since his heritage is one-eighth Caucasian, one-fourth black, one-eighth American Indian, one-fourth Chinese and one-fourth Thai.

In this he is not much different from other Americans; nearly all of us are gloriously mixed and the better for it, genetically and culturally.

But government racial policies force us to define ourselves as white, black, Hispanic or Asian. The purpose may be benign (to track the progress of minorities), but the effect is vicious (to reinforce strict racial identity, the way segregationists did).

If a "multiracial" box becomes an option, I will likely check it off myself. My Russian forebears surely mixed with all sorts on the steppes.

Robert George, who is black and an aide to Speaker Newt Gingrich, asks, "Has the time come to dispense with the boxes altogether?" At any rate, the new box will be the beginning of the end for the whole ridiculous architecture of race-counting.

But the main effect of the multiracial checkoff is that it will doom affirmative action, already on the run. Last month, law schools in Texas and California, which have just barred race as a consideration in admissions, reported a sharp decline in the number of blacks and Hispanics they were accepting into next year's classes. The UCLA School of Law, for instance, accepted only 21 African-American applicants, down from 104 last year.

Those figures are sad but also refreshing. Ward Connerly, a black member of the University of California board of regents, welcomed them as the unmasking of an "artificially engineered system of preferences that has been propping up diversity." He added: "If we really want to help those black and Latino kids, we will give them some tough love and get them channeled into being able to compete."

The Clinton administration is hustling to craft new rules to preserve affirmative action in contracting, despite new court decisions that severely limit the practice.

"On the one hand," said Mr. Connerly, a man of guts and principle, "there are those who say that race matters, that we have to use race to get beyond race. Then, there are those of us who believe, as President Kennedy said in 1963, 'Race has no place in American life or law.'"

It's time to choose.

Washington Post Writers Group

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Crisis in Spain

MADRID — The Cabinet met under the presidency of the Queen Regent. Senor Canovas del Castillo made a long statement as to the position of affairs in Cuba and the Philippines and internal and economic policy. Finally the Premier dealt with Spain's relations towards the United States and concluded that it was on account of difficulties connected with all these questions that the cabinet had resigned. The Queen Regent begged Senor Canovas to continue to direct affairs until a solution had been arrived at.

1922: Verdun's Medal

PARIS — Imposing ceremonial and utterances of generous import will accompany the handing of the Congressional Medal to the City of Verdun. The presentation will be made in the presence of the French Premier by the American Ambassador. It is the only medal ever conferred by the Government of the United States on any city, and will be bestowed in the name of the Congress and the People of the United States as a mark of America's appreciation of the valor of its defenders.

1947: Reds Rebuked

PARIS — Premier Paul Ramadier accused the French Communist party of inspiring strikes in strategic industries and risking the downfall of the Fourth Republic. In the strongest political attack of his four months' leadership, he said that the Communists were inviting national "catastrophe" by fomenting work stoppages in the bakeries and power plants. Facing the legislature's extreme Left party, he said: "If you have a government policy, let us see it. As far as I am concerned I am here to defend the Republic."

Gephardt Politics
Necessary Debate

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OPINION/LETTERS

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Gore-Gephardt Politics: A Necessary Debate

By David S. Broder

WASHINGTON — The debate that sprang up last week between Vice President Al Gore and Dick Gephardt, the House minority leader, is important for the United States and — despite the doubters — valuable for the Democratic Party.

When Mr. Gephardt dissented loudly and publicly from the Clinton administration's policies on the budget and on trade with China, Republicans were quick to gloat that the Democrats were in disarray. When Mr. Gore fired back with an equally tough speech in New Hampshire, some Democrats grumbled that the contest for the 2000 nomination was beginning at least two years too soon.

What both seem to forget is that when important issues are at stake, it is an obligation for leaders — not selfish indulgence — to speak out boldly and clearly on their views. That is what Mr. Gephardt and Mr. Gore have done. Bravos to both.

The context for the argument is the incomplete effort by Bill Clinton to redefine the thinking of the Democratic Party. In his 1992 campaign, the president emphasized opportunity, responsibility and community — traditionally conservative values. But he won by fighting without really winning the argument. His principal opponents for the nomination — Jerry Brown and Paul Tsongas — were far from mainstream Democrats in their own thinking, and President George Bush was a man the country was ready to replace.

In his first two years, Bill Clinton passed a budget and several other measures very much in keeping with old Democratic thinking and one big piece of legislation — the North American Free Trade Agreement — on which he was allied with Republicans against his party's congressional leaders and the majority of congressional Democrats.

Once the Republicans took over Congress in 1995, Mr. Clinton shifted even further, declaring that the "era of big government is over" and proving it by signing a Republican bill ending the 61-year-old New Deal guarantee of welfare safety net for every indigent mother and child.

Mr. Clinton was unopposed for renomination in 1996 and had an easy time in the election. But again, he won the fight without convincing his party. A survey of 1996 Democratic convention delegates by The Washington Post and ABC News found that most opposed the welfare cutoff and that most favored bigger government and more services, even with higher taxes, over smaller government with lower taxes.

On all these issues, Mr. Gephardt has been a consistent champion of traditional Democratic liberalism. When the welfare bill was on the House floor in July 1996, he opposed it because, he said, it was "too weak on the work requirements" and "too tough on the innocent children who will end up paying the price when their parents cannot find jobs."

When Mr. Clinton and the Republican leadership agreed on the budget last month (in negotiations from which Mr. Gephardt and other Democratic leaders were excluded), Mr. Gephardt charged that it had "a deficit of principle, a deficit of fairness, a deficit of tax justice and, worst of all, a deficit of dollars" — implying that it was balanced only on paper.

This is not a one-sided debate. Mr. Gore, in a powerfully argued address to the Nashua, New Hampshire, Chamber of Commerce, made the case that the administration's budget and trade policies were exactly the right medicine.

In the last seven decades, Mr. Gore pointed out, Nashua's economy has shifted from companies that "sewed blankets, stitched together shoes, hammered out kegs and barrels and manufactured caps for milk bottles" to ones that "assemble cutting-edge computers, engineer electronic systems and components, perform tests on circuit boards and design avionic systems." Policies that made sense in the past need to change just as dramatically, he said, for the United States to continue to prosper.

"But believe it or not," Mr. Gore said in a clear reference to Mr. Gephardt, "some people would like to snatch defeat from the jaws of victory" by rejecting administration budget and trade policies.

This is not a barroom brawl or an exercise in clashing egos. This is a vital and overdue debate between two able antagonists about the direction of America's oldest and largest party. It's about time.

The Washington Post

The Insane Rage of 'Patriots'

By Karen Mathews

MODESTO, California — "Lady, you would be so easy to kill."

More than three years later, these words still haunt me.

My assailant growled this threat as I lay in the darkness on the floor of my garage, stunned and dazed from being beaten, kicked and knifed. Then he put a gun to my head and dry-fired it several times.

This was no random attack or botched burglary. The man who all but killed me was a member of a disciplined organization with a specific mission. And, bizarre as it may seem, I had been targeted because of my job.

I am the elected clerk-recorder of Stanislaus County in central California, a sleepy-sounding title until paramilitary groups discovered that harassing and intimidating officials like me is a way to attack the basic workings of government.

One of their tactics is to try to file liens against the property of Internal Revenue Service employees and other officials they regard as the enemy.

In California alone, clerk-recorders in 49 of the state's 58 counties have reported threats ranging from fist-pounding intimidation to verbal threats of harm. This is part of a guerrilla war against democracy going on far below the level of an Oklahoma City bombing.

With all reverence for victims of that attack, I often felt while following the trial of Timothy McVeigh that the events are related in spirit if not in fact.

My nightmare began in early 1992. I was approached on several occasions by a small group of individuals who demanded I record various illegal documents, usually fictitious "common law" liens against property owned by IRS employees or local elected officials. I, of course, refused to do so.

After that, my staff and I became targets of threats and hostile acts. I received anonymous

MEANWHILE

telephone calls at the office and at home. A fake bomb was placed under my car. Bullets were fired through the office windows. A single bullet was mailed to my home with a message stating, "The next bullet will be directed at your head."

Then came the attack in my garage on Jan. 30, 1994, that changed my life.

"Do your job. Record our documents," my assailant said over and over. "You are a messenger to all the recorders. This could happen to them, too."

Aside from my feelings of fear, anger and disbelief, I was totally perplexed about who would go to such extremes to terrorize a county recorder. My nonpartisan office handled few if any controversial matters.

The answer came more than a year later, when, after exhaustive efforts by FBI and IRS agents and local law enforcement, nine people were arrested and charged with various federal crimes, including the attack on me.

All nine were members of the Juris Christian Assembly, a shadowy group specializing in tax protests and other resistance to government.

My assailant was an Oregon man with militia connections who came to Modesto, as the inquiry later showed, to terrorize me. He had previously been accused of threatening two California state senators. Last month, a federal jury in Fresno, California, convicted him and the eight other defendants. They are currently awaiting sentencing.

Although I was relieved when the verdicts were announced, my emotions were constrained. My life has changed. I now carry a gun and have been trained in martial arts. For the last three years, guards were with me 24 hours a day. Even though my attacker is going to prison, I still live under heavy security.

Other recorders I know are being threatened. A man recently told a county clerk in the San Francisco Bay area: "You know what happened to that woman in Modesto. You better be careful."

According to the Justice Department, every county in California has formal militia groups.

I'm most familiar with what is happening in California, but the problem is nationwide. The recent siege of the "Republic of Texas" group essentially began with "paper terrorism" — the filing of bogus liens. According to the Anti-Defamation League, anti-government extremists are using "common law" courts and similar tactics in at least 23 states.

It is difficult to comprehend or convey the anger and crazy sense of misguided patriotism embraced by these people.

For example, after I refused to record one man's illegal "common law" lien, he told me, "You are guilty of treason." He then snarled, "I am a sovereign citizen of the Republic of California, not the corporate United States, and the laws you enforce restrict my God-given rights."

As I begin my life anew, I still find it hard to discuss some of the details of what happened to me.

But I feel an anger that won't go away, not only against the self-styled patriots who harass us, but also against those who express or tolerate a certain "populist" support for anti-government extremism.

The writer is the clerk-recorder of Stanislaus County, California. She contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Stop Expulsions

Regarding "Tact Aside, Albright Berates Balkan Leaders" (June 2):

Despite the presence of thousands of NATO troops, no one seems to have the courage or power to send the Balkan war criminals to the International War Crimes Tribunal in The Hague.

Meanwhile, some Croatian and Bosnian refugees in Europe are being forced to return home because peace has allegedly been reestablished.

Until the major war criminals are sent to The Hague, no refugees should be expelled or have their work permits revoked.

RONALD HALBRIGHT.
Thalwil, Switzerland.

Subsidies, Us?

Regarding "A Trans-Atlantic Air Battle" (May 23):

The irony and inappropriateness of the EU commission assertions seem almost blatant.

Perhaps an ideal market share, to assure consumer protection, would be 50-50, but 60-40 is certainly not a "dominant share": 80-20 would indicate dominance, and, anyway, Airbus is catching up.

I'm not surprised that the 747 is preferred by airlines, since I have not yet found anything Airbus has in the air to be quite as comfortable as the 747.

And who is complaining of U.S. subsidies? I shudder to think what we taxpayers in France, and elsewhere in Europe, are paying for the Concorde, as well as for Airbus.

Boeing and McDonnell may not be guiltless, but competition has thrived in the U.S. market. Although three companies may be better than two, I don't believe a supportable case for restraint of trade has been presented by the EU anti-trust commission.

JACK STEARN.
Maisons-Laffitte, France.

Bring on the Show

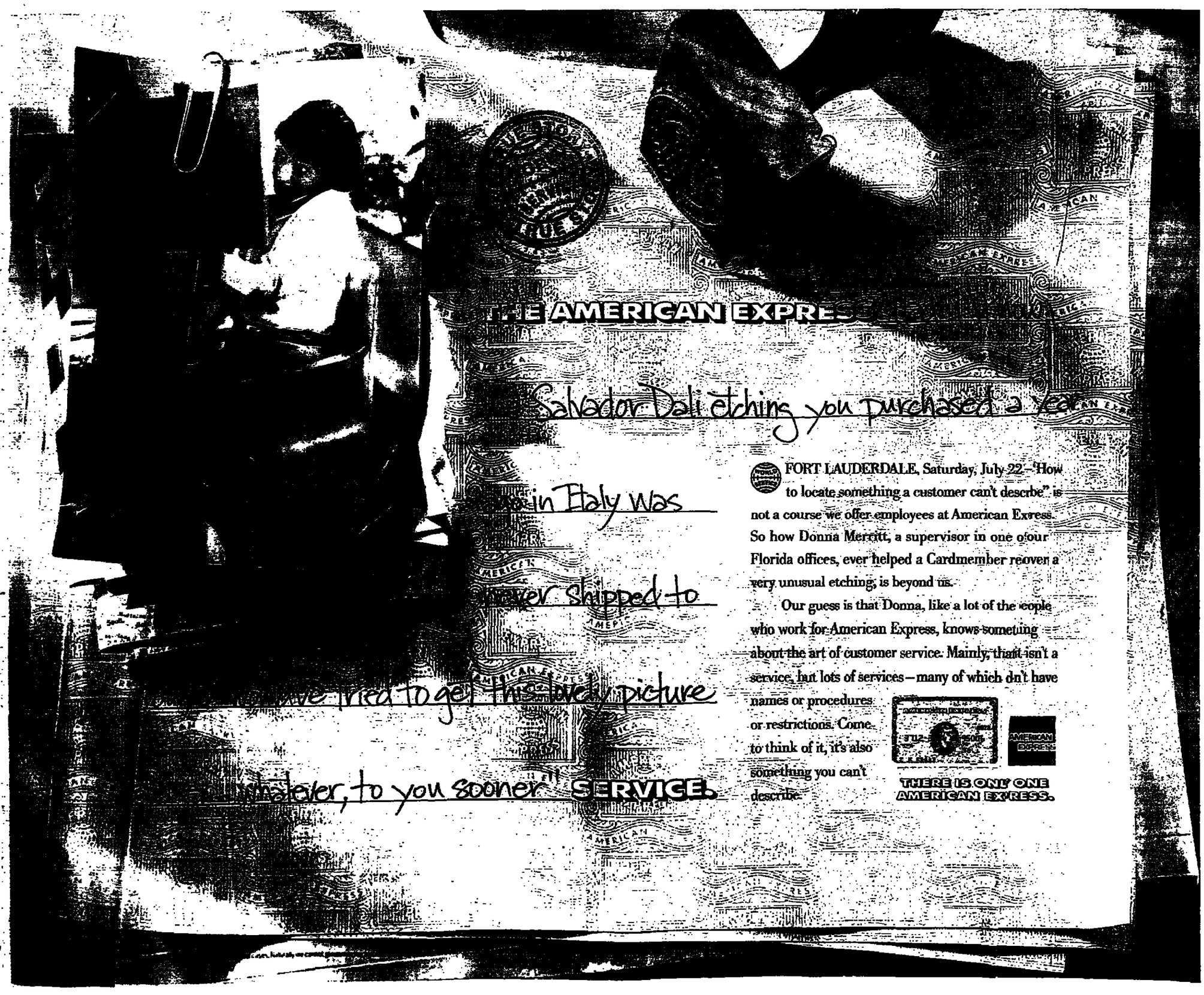
Over the last week, commentators have indicated that the United States could not sustain the spectacle of the president enduring a prolonged civil suit with Paula Jones.

On the contrary, one need only glance at most daytime television, prime-time programming or much of the print media to realize the American public would love nothing better.

This could be the best thing since the O. J. Simpson trial.

Since all of the presidents since Dwight Eisenhower have so debased the dignity of the office, each in his own way (with Bill Clinton one of the most egregious offenders), it is difficult to argue that we should show a little respect for the office. They blew up that bridge themselves long ago. Bring on the show.

EDWARD W. CUTTER
Los Angeles.



For Arab Real-Estate Dealer, a Narrow Escape From Death

By Joel Greenberg
New York Times Service

JERUSALEM — For a man probably lucky to be alive, Asad Rajabi was remarkably at ease Tuesday when he got up from his afternoon nap to greet visitors at his plain stone house on a parched hillside in East Jerusalem.

Dressed in pyjamas and sipping thick coffee from a tiny cup, Mr. Rajabi, 65, showed no outward sign that he had come dangerously close to joining the ranks of Arab real-estate brokers killed after being accused of selling land to Jews.

In the dead of night last Sunday, men presenting themselves as Palestinian security agents came to his house and summoned him to the West Bank town of Ramallah, but they were stopped on the way there by Israeli police. The men were arrested and Mr. Rajabi returned home to an uncertain future.

In less than a month since the Palestinian Authority announced that it would impose the death penalty for the sale of land to Israelis, three Arab real-estate dealers have been found slain in the area of Ramallah, which is under Palestinian rule.

The authority has denied involvement in the killings, and says that any death sentences will be passed by Palestinian courts.

But the Israeli police assert that a Palestinian security chief and his men were involved in two of the slayings. Prime Minister Benjamin Netanyahu said that a warrant had been issued for the arrest of the official, identified by the Israeli media as Colonel Tawfik Tirawi, the head of General Intelligence Services in the West Bank.

Mr. Rajabi knew the latest murder victim, Ali Jamhour, who worked in a café in the Jewish part of Jerusalem. The café is near the Israeli land registry office, where Mr. Rajabi would visit on business.

Mr. Rajabi brokered real-estate deals to supplement his income from a newspaper and cigarette stand near the Old City of Jerusalem, he said. He had no office, and the deals were often negotiated in cafés, always between Arabs, or between Jews selling to Arabs, but never the other way around, Mr. Rajabi insisted.

The Israeli police say that Mr. Rajabi was apparently named by Mr. Jamhour as his associate in the sale of an Arab house in East Jerusalem to a Jewish settlement group.

When Mr. Jamhour was found shot in the head on Saturday, Mr. Rajabi recalled, "I was surprised because I knew him: I was astonished."

"I didn't fear for my own life, because I didn't do anything wrong," he added. "But I thought that you can't trust any government, Arab or Jewish. Neither the Arab side nor the Jewish side gives security, and people are scared."

Mr. Rajabi said he stopped his real-estate dealings shortly after the Palestinian Authority announced the death penalty last month "so people wouldn't get the wrong idea."

But somebody did.

At about 1 A.M. on Sunday, Mr. Rajabi recalled, men who identified themselves as agents of Palestinian military intelligence knocked on the door of his family home in an area of East Jerusalem known as the Peace Neighborhood. The men asked Mr. Rajabi to come with them to the Palestinian government headquarters in Ramallah.

"I asked them if they had a warrant, and they said, 'No, we have orders.'" Mr. Rajabi said.

He said that he refused, and that there was a half-hour argument, which his family joined.

"The men insisted that I have to come quickly," he said. "I called my brother, who tried to persuade me to go. I was afraid that there might be trouble between the children and the men because they have guns and things might not end well. So I changed into my clothes and went along. It was the best alternative."

Mr. Rajabi, his brother and a few of his sons piled into two family cars along with the security agents, and headed out toward Ramallah.

"I got scared," Mr. Rajabi said. "I wondered whether these might not really be Palestinian police, whether I might be interrogated, jailed, tortured, maybe killed, or perhaps I'll get a bad reputation and be labeled a traitor."

Two of the Arab real-estate brokers killed recently had been summoned previously by the Palestinian police for questioning about suspected land deals with Jews.

About 10 minutes after the cars pulled away from Mr. Rajabi's house, they were stopped on a dark road by an Israeli jeep that sped by and blocked their path. Israeli police in civilian clothes aimed guns at the passengers. "They said, 'Stop! Get out of the car with your hands up,'" Mr. Rajabi said.

He was immediately singled out by the Israelis and put aboard a jeep, while his relatives and the men who summoned him were spread-[illegible]led on the cars and frisked. The Isra[illegible] police later announced that they had [illegible]rcepted a kidnapping attempt and [illegible]d arrested six men, four of them [illegible]rmed Palestinian security agents.

Did Mr. Rajabi feel like he had a brush with death? "Maybe yes and maybe no," he said. "I didn't know what was going on."

Advised by the Israeli police no[illegible] go back to his newspaper stand, Mr. [illegible]abi is staying home for now, after spe[illegible]ng a day lying low at a friend's house. He says he is not afraid, and would [illegible]to Ramallah if he were summoned i[illegible]e daytime with an official warrant.

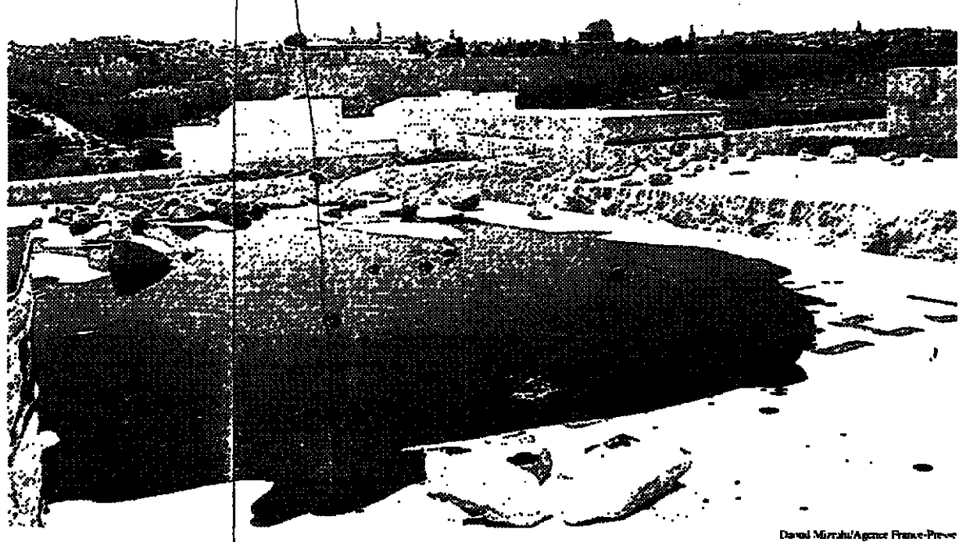
But the summary killings of [illegible]d dealers was criminal, he said.

"There is no law, and no justice," [illegible] said. "There has to be an investigati[illegible] a trial with a lawyer, with the press [illegible] hand. There has to be proof — t[illegible] cannot be done easily. And people c[illegible] be executed by mistake. That's why [illegible] hate the death penalty."

David Silverman/Reu[illegible]

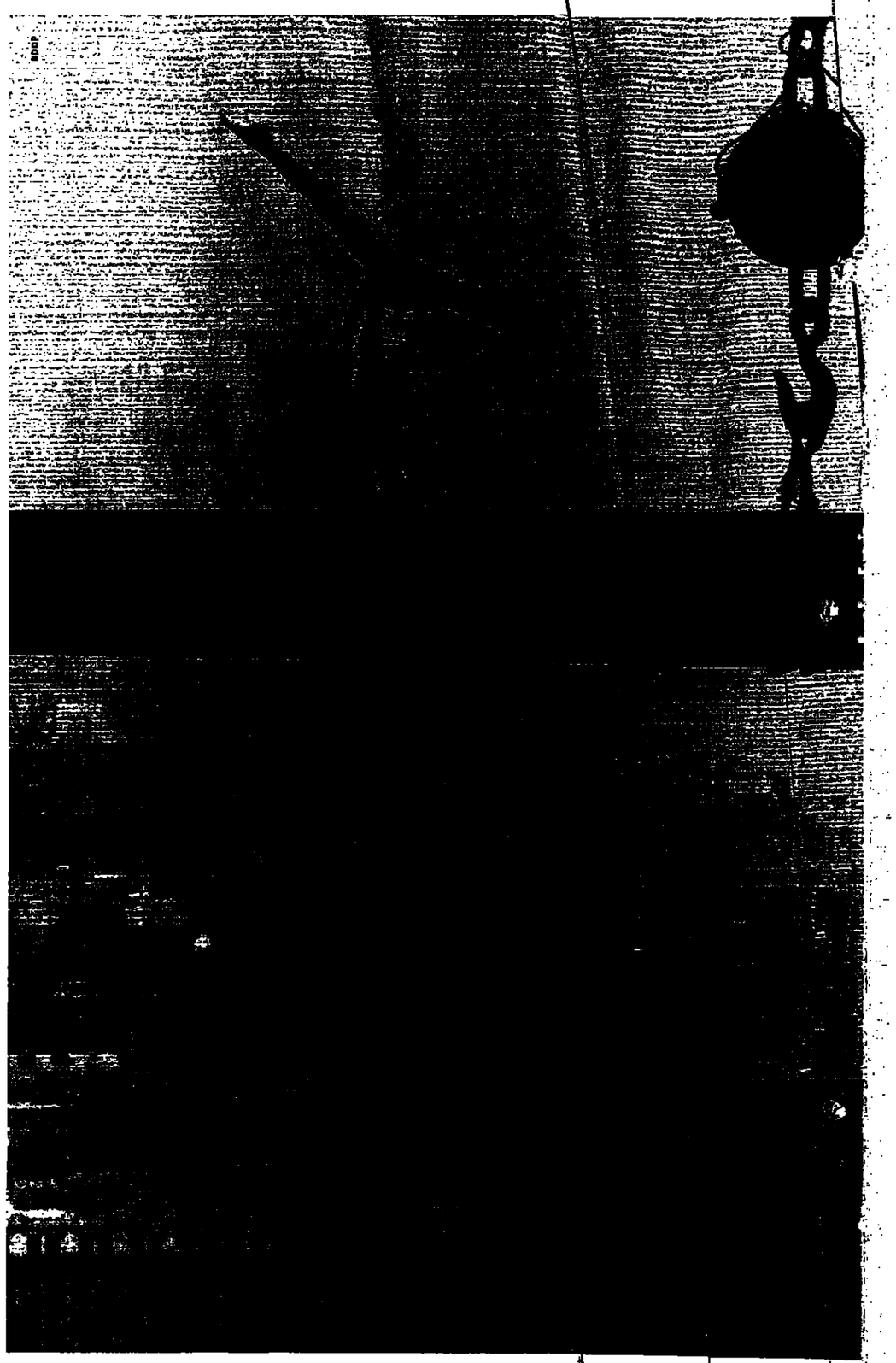
Asad Rajabi, who said his dealin[illegible] did not involve selling land [illegible] Jews, faces an uncertain futur[illegible]

Gravesite of Former Israeli Prime Minister Is Vandalized



David Mirzoh/Agence France-Presse

The scene at the grave of Menachem Begin of Israel on Tuesday after vandals poured a black substance on the stone and left behind a note calling him a Nazi. The grave at the Mount of Olives cemetery in Jerusalem is attacked at least once a year, apparently by rightists who condemn Mr. Begin's signing of a peace treaty with Egypt in 1979. Mr. Begin, who died in 1992, was prime minister from 1977 to 1983.



U.S. Puts Top Art Dealers on the Spot

Justice Department Looks Into Possible Collusion and Price Fixing

By Carol Vogel
New York Times Service

NEW YORK — Justice Department investigators have subpoenaed truckloads of financial documents from more than a dozen prominent Manhattan art dealers and from Christie's and Sotheby's, the world's largest auction houses, in what appears to be a wide-ranging antitrust investigation.

Several of the dealers, who operated in the United States and abroad, said this week that they had been served with subpoenas. On the basis of questions asked of them and their lawyers, they said they believed that investigators are looking for the possibility of collusion and price fixing among art dealers buying at auction.

Being served with a subpoena, which is a request for information, is not an indication that a particular party is necessarily a target of an investigation.

It has long been rumored in the art world that some dealers try to buy art cheap, by forming rings who agree to refrain from bidding against one another. The practice, "bid pooling," inhibits prices from reaching their fair value at auction. Then the dealers resell the work at an exaggerated profit and sometimes split the difference.

"People in specialized businesses like the art business that are far away from the mainstream of milk and cement don't necessarily think of themselves as subject to the laws that were designed to protect the public against robber barons," said Donald Baker, a lawyer and a former head of the antitrust division of the Justice Department. "And thus they come up surprised."

Gina Talamona, a spokeswoman for the Justice Department, would say only that "the antitrust division is looking at the possibility of anti-competitive practices in the fine art auction industry."

Several dealers confirmed receiving subpoenas, but refused to comment further. Others referred inquiries to the Art Dealers Association of America, which declined to comment.

It is believed that about two dozen of New York's most prominent fine art dealers, specializing in areas like Old Masters and Impressionist, modern and American art, have heard from the Justice Department, among them Richard Feigen, William Acquavella, Otto Naumann, Newhouse Galleries, Simon Dickinson, Hirschl & Adler, Newhouse Galleries, Knoedler & Co., Colnaghi, Kennedy Galleries, Robert Haboldt and Herman Shickman.

On Monday Christie's, the London-based auction house, reported in a filing it made with the London stock exchange that it had been subpoenaed.

The filing said that Christie's understood "that other U.S. auctioneers and several prominent New York art dealers have also been required to provide documents. Christie's is co-operating with the Justice Department's investigation. Christie's believes that it has acted properly at all times."

A spokesman for Sotheby's confirmed that it had received a subpoena. "Sotheby's is of course working with the Justice Department in providing the relevant information," the spokesman said.

People familiar with the investigation said the department was focusing primarily on claims of wrongdoing stemming from dealers' practices, rather than those of auction houses.

Unicef Fears Loss of Its Independence

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — As the United Nations prepares for the broadest restructuring in its history, the executive director of Unicef has taken the unusual step of warning publicly that, under the proposed changes, the agency is in danger of losing its independent voice for children around the world.

The director, Carol Bellamy, an American, told Unicef's executive board that, under plans now being considered, the agency's activities would be folded into a group dealing with social and economic development. Other Unicef functions would be taken over by a separate emergency relief team.

Unicef and the United Nations High Commissioner for Refugees are concerned that they will be significantly altered in a reshuffling that is intended to streamline and strengthen the United Nations.

In a separate proposal that raises different concerns, the High Commissioner for Refugees may become the coordinator for all international relief, picking up new responsibilities that some officials believe could dilute the image of the agency, which is known as the world's strongest advocate for displaced people.

Unicef, until now, has maintained its own operations overseas, dealing with governments on issues strictly related to children, including immunization and education. Its reputation has enabled Unicef, which depends on voluntary contributions, to raise more than $300 million annually from private sources in addition to government donations.

"If Unicef is obliged to seek permission or clearance before acting for children," Ms. Bellamy said Monday, "then this organization would be a markedly different Unicef."

She said Unicef's effectiveness depends on its "independent entity and voice."

Plans for restructuring the United Nations will be made public in mid-July by Secretary-General Kofi Annan, who has already proposed administrative changes that are within his power to make. The larger reorganization must be approved by the General Assembly, the forum of the 185 member nations, and the international politicking and turf wars have already begun.

"Unicef has a very special relationship with political leaders," said Robert Smith, executive director of Britain's Committee for Unicef, one of 36 national panels that raise money for the agency. "By having direct access to presidents, national and provincial premiers and ministers of health and ministers of social welfare," he said, "Unicef can get things done."

UN officials planning the reform under the direction of Maurice Strong, a Canadian who organized the Earth Summit in Rio de Janeiro five years ago, say that they are well aware of the importance of Unicef's appeal.

"Everyone is very sensitive to the need to keep the brand name, so to speak, and visibility of the individual components of the United Nations, many of which do have considerable name recognition and public appeal," a high official involved in the restructuring said.

"Of course Unicef is at the top of that pile with generations of work and funding. The last thing that anyone wants to do is jeopardize that."

The proposal would abolish the United Nations Department of Humanitarian Affairs, which is based in New York and has had trouble dealing with international emergencies, and transfer those and other functions to the high commissioner's headquarters in Geneva. The high commissioner's job, now held by Sadako Ogata of Japan, would be expanded to include responsibility for coordinating a wide range of emergency programs.

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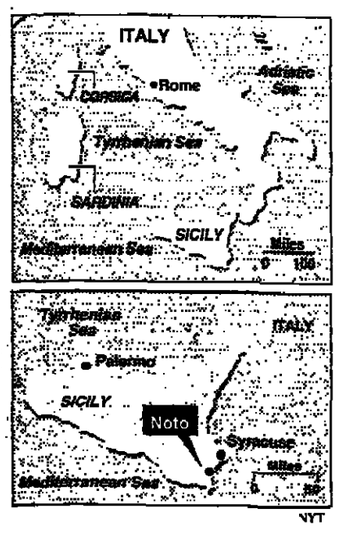
A Jewel of Sicilian Baroque Art Is Crumbling



By Celestine Bohlen
New York Times Service

NOTO, Sicily — It was pure luck that no one was in the Noto cathedral the night more than a year ago when the roof fell in. But that was the only fortunate aspect of an otherwise sorry tale that is still unfolding, as workers pick through the rubble and local officials quarrel over who was to blame.

It was not the first time that bits of Noto's architectural heritage crumbled. A minor earthquake in December 1990 sent cornices tumbling from the town's facades, blocking traffic. Months before, a wing of the Jesuit College building collapsed.

Even then, there had been warnings for years that this jewel of Sicilian Baroque architecture — sometimes known as "the garden of stone" — was dying from neglect.

But when the roof of the Cathedral of St. Nicholas crashed to the ground on March 13, 1996, it roused fresh concerns about the sad condition of this and other cultural treasures in Sicily. Scaffolding is up around many of Noto's most famous edifices. Some critics say that restoration is so slow, so laborious and so enmeshed in Sicily's notoriously languid bureaucracy that it cannot keep up with the pace of decay.

"Unfortunately, restoration is not moving very rapidly," said Raffaele Leone, the mayor, noting a recent wave of anger against a regional cultural administration over the slow rate of work on the cathedral. "They pushed through an urgent plan for the cathedral, but it is only recently that they chose the architects for the restoration. Basically, we have lost a year."

In 1986, experts began warning about the state of historic buildings in Noto and other baroque towns in this southeastern region of Sicily. The area is still a bit off the tourist path, at least compared with the heavily congested towns of northern and central Italy. Palaces were emptied as noble families died out, moved away or, in some cases, settled into a few rooms, leaving dust to gather in ghostly ballrooms and darkened entranceways. Nor does the local Roman Catholic diocese, which owns 21 churches in an area inhabited by 210,000 people, have the money to maintain its properties. It has handed over all but routine maintenance to a government bureaucracy not known for its efficiency.

In fact, several major restoration projects are under way in Noto — most notably at the Palazzo Nicolaci, famous for its balconies held up by fancifully sculpted creatures. Restorers of the palace are copying 18th-century techniques to refurbish it.

Francesco Santalucia, who heads the architectural section of the regional cultural affairs administration, bristles at the criticism that the state has been idle, but he can only shrug at the complaint that it is slow.

"There seems to be a lot of hurry, wondering why things haven't moved any faster," he said, "but when you hurry you risk not seeing important things. It is not enough to do a nice drawing full of pretty curves for a reconstruction that won't stand. You need time.

"In a week, you can duplicate the old project, but it could turn out to be as unstable as the original. And you can't plan a new dome and roof quickly."

Some say that the cathedral was cursed with bad luck from the moment it was built, in the early 18th century. In fact, the harmony of Noto's golden-hued ensemble — with its streets lined by palaces, convents and churches, all made in the same style, all in the same tinted local stone — is owed to the devastating earthquake of 1693, which compelled the citizenry to rebuild their town from scratch. For this reason, it remains a fairly pure and rare example of 18th-century town planning.

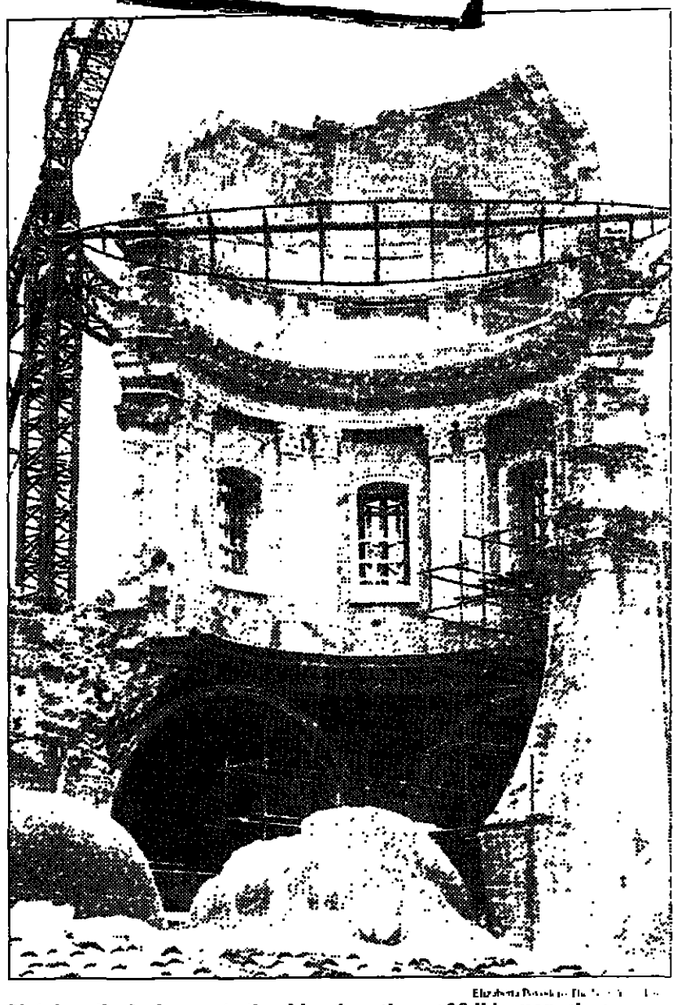
Behind a triumphant baroque facade, recently restored and miraculously still standing, the cathedral was a Noto rarity: a stylistic hodgepodge. Its first dome collapsed in 1750 for reasons that were never determined. The first replacement crumbled in 1848.

The second replacement was built in 1870, but only a third of it remains, looking like a broken egg silhouetted against the bright Sicilian sky.

The interior was redone in the 19th century, and in the 1950s and 1960s local painters added decorations. These, in the opinion of local art historians, were simply ugly.

There have been other recent changes. A concrete roof was added in 1952 to protect the cathedral from rain. Architects say that by any modern standard this was a blunder.

"They didn't see the problem at the time," said Biagio Gennaro, a surveyor for the local Catholic diocese. "But now they realize that the roof they put in was too heavy. This time, it wasn't the cupola that fell, but the roof over the nave."



Elizabeth Dalziel for The New York Times

Noto's cathedral, open to the skies since the roof fell in more than a year ago. Restoration work is "not moving very rapidly," the mayor laments.

What makes the latest collapse so compelling is that it did not have to happen. A year after the 1990 earthquake, $2.3 billion was allocated to southeastern Sicily by the government in Rome to repair damage and to modify both public and private buildings so they might better withstand quakes.

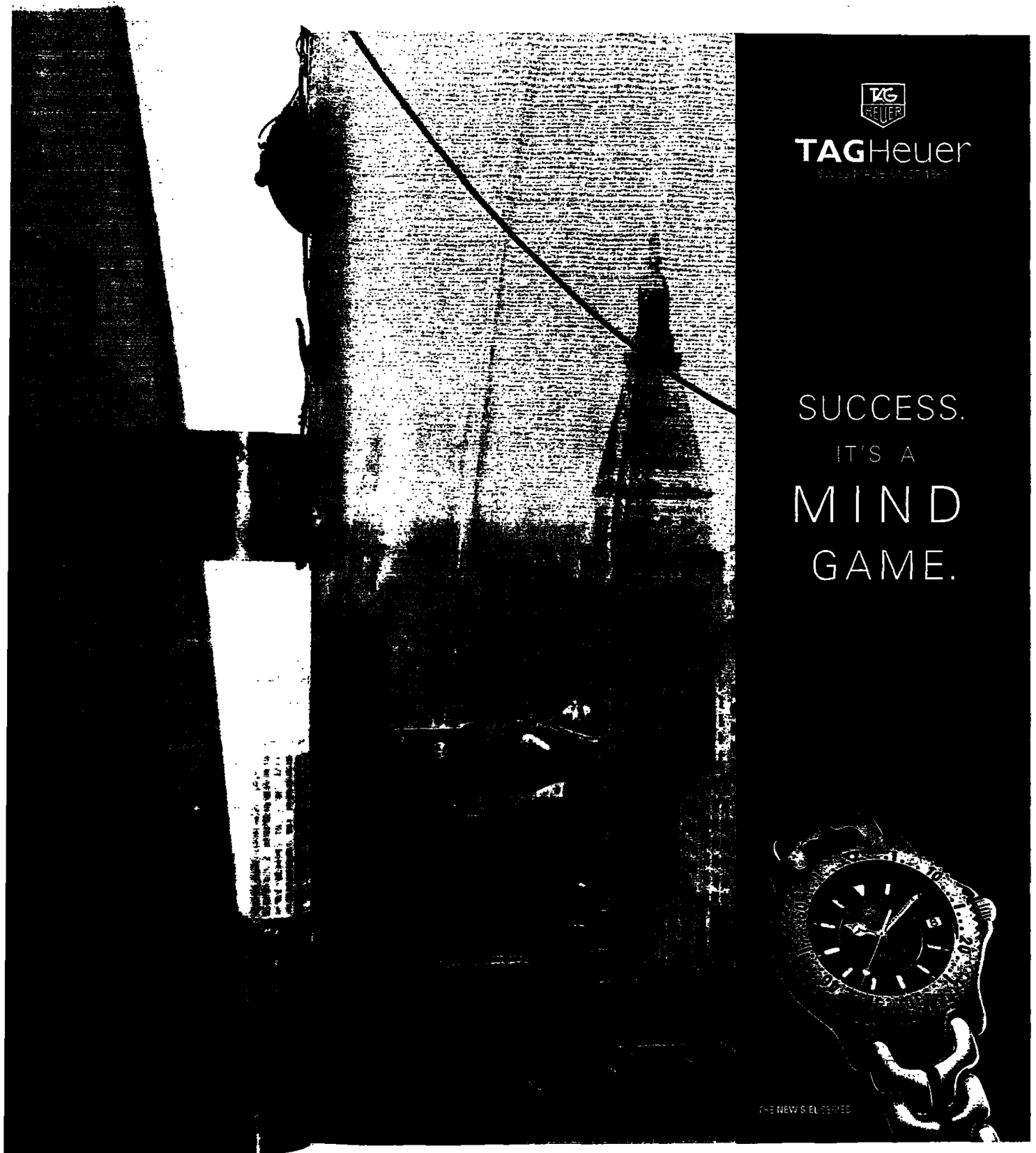
Although the situation had been characterized as an emergency, another year was spent preparing the list of public monuments entitled to the earthquake aid, among them the Noto cathedral, and another three years to prepare the contracts for repair work. Seven years after the earthquake, only about 20 percent of the money has been spent, said Rocco Sciara, a top aide to the Rome-appointed prefect based in Syracuse who has been charged with coordinating the cathedral restoration.

In 1992, priests at the cathedral detected a series of cracks in a pillar, added in 1952 to support the new concrete roof and then hollowed out to make room for an internal staircase. State engineers put three metal rings around the pillar, and the cathedral was reopened although the area was kept closed off to the public. "We knew there were problems," Gennaro said. "We saw the cracks, but no one thought they were serious. No one said the church should be closed."

Now the Italian government has allocated $11 million for reconstruction of the cathedral, four times the sum set aside earlier to make it earthquake-resistant. Emergency work has been done to secure what remains of the dome and the steeple, and crews are clearing the site. They are sifting through and cataloguing each stone, both to help architects find the cause of the collapse and to help local prosecutors determine whether negligence was involved.

Reconstruction will not be completed until sometime after 2000, but local residents hope access will soon be restored to the tomb of their patron saint, San Corrado Confalonieri, a 14th-century hermit. It was removed intact after the collapse.

"People are very attached to the saint," Mr. Gennaro said, "and we hope he will be back in the church in August, when the rubble should be all gone."



Mobutu Swiss Billions Just $3.4 Million

After a Search, Banking Supervisors Discount 'These Wild Stories'

Reuters

GENEVA — Swiss banks have found only $3.4 million in assets belonging to Mobutu Sese Seko, the toppled ruler of Zaire, including foreign shares, bonds, securities and a safe deposit box yet to be opened, a banking supervisory agency said Tuesday.

The sums reported by banks, after a search ordered by the Swiss government, were just a fraction of the billions that Kinshasa's new rulers allege Marshal Mobutu has hidden in Swiss banks.

The Federal Banking Commission, the country's banking supervisor, said in a statement that six banks reported assets worth 4.8 million Swiss francs held by Marshal Mobutu, his family or people and companies associated with them. It confirmed that the assets had been frozen.

Marshal Mobutu was toppled last month by rebels, whose leader, Laurent Kabila, took over as president and renamed the country Congo.

Daniel Zuberbuehler, the deputy director of the banking commission, said that it considered the matter closed.

He acknowledged that returning the funds to Kinshasa's new government could take years under Swiss legal procedures.

"As the banking supervisor, basically we are satisfied," he said. "I don't think we can order any other search. I think we have done more than anyone else in the world."

Switzerland froze Marshal Mobutu's assets, including a 30-room mansion in Lausanne with a market value of more than $5.5 million, hours after he fled his capital last month.

The new rulers of the vast central African country have called on the United States, France, Belgium, Austria, Liechtenstein and Portugal to follow suit.

In a newspaper interview last week, Congo's new justice minister, Celestin Lwangi, alleged that Marshal Mobutu had 11 billion Swiss francs in assets in Switzerland.

Mr. Zuberbuehler dismissed "these wild stories."

"There are no billions," he said. "Of course they can say anything but these would be dreams. It would be nice if Mobutu had billions here, but he probably has spent the money."

The Federal Banking Commission declined to name the banks holding Marshal Mobutu's funds.

But Mr. Zuberbuehler said the bulk of the money, more than 4 million Swiss francs, was at one bank in two "fat accounts."

■ Mobutu 'Doing Fine'

Marshal Mobutu is "doing fine" in exile in Morocco, The Associated Press in Paris quoted his son as having said Tuesday.

Nzanga Mobutu, in a telephone interview, refused to give any information about the plans of his father, who fled to Morocco last month.

Marshal Mobutu, who ruled Zaire for 32 years, has undergone treatment for prostate cancer during the last year. He and about 40 members of his entourage remain under heavy police protection at a hotel in Skhirat, 20 kilometers (12 miles) south of Rabat.

The former leader of Zaire arrived in Morocco on May 23 from the West African nation of Togo, where he had taken refuge after Mr. Kabila's forces captured Marshal Mobutu's jungle palace in Gbadolite.

BRIEFLY

Kenyan Legal System Assailed

LONDON — An independent report into the Kenyan legal system has recommended sweeping changes after discovering widespread corruption and human rights abuses.

William Goodhart, one of the authors of the International Bar Association report, said at a news conference Tuesday that its primary concerns were the independence of the judiciary in Kenya and the harassment of lawyers.

Mr. Goodhart said that corruption, at various levels, was also a major worry along with proposed legislation on the freedom of the press and the registration of political parties and other societies.

The report called for changes in the appointment of a chief justice, the establishment of a commission to investigate and weed out corruption and the recruitment of more judges from private practice. It also urged the government to speed up appeal hearings and to review the role of the attorney-general and pretrial procedures. *(Reuters)*

U.K. Snubs Iraqi Oil Executives

LONDON — Iraq tried to send five oil executives to London to negotiate its first petroleum sale here since the Gulf War, but Britain rejected the request Tuesday.

British companies can buy oil from Iraq under the United Nations oil-for-food arrangement, but the Foreign Office said the businessmen will have to cut their deals elsewhere because it will not admit anyone with close ties to the regime of President Saddam Hussein.

Iraqi opposition leaders in London had been sharply critical of the Iraqi attempt to strike an oil sale on British soil, saying it would have handed Mr. Saddam a major propaganda coup. *(AP)*

Mexican Rebels Won't Disarm

MEXICO CITY — A violent rebel group said Monday it had pulled back its troops and would take no offensive actions before congressional elections next month, but rejected an appeal to lay down its weapons.

In a statement published in the daily La Jornada, the Popular Revolutionary Army said it would try to avoid clashes with Mexico's army, but would keep its weapons to defend itself.

It blamed the army and what it called the growing militarization of the southwestern state of Guerrero for the clashes. "We don't have any intention of interfering in the electoral process," said the statement signed by Commander Antonio, a rebel leader in Guerrero. *(AP)*

For the Record

The United Nations World Food Program will end a six-month operation to airlift home thousands of Rwandan refugees from the Democratic Republic of Congo by the end of this week, a UN spokeswoman said Tuesday. *(AFP)*

About 120,000 Colombian doctors, nurses and health workers went on strike Tuesday to protest the government's failure to fulfil the terms of a wage deal. *(Reuters)*

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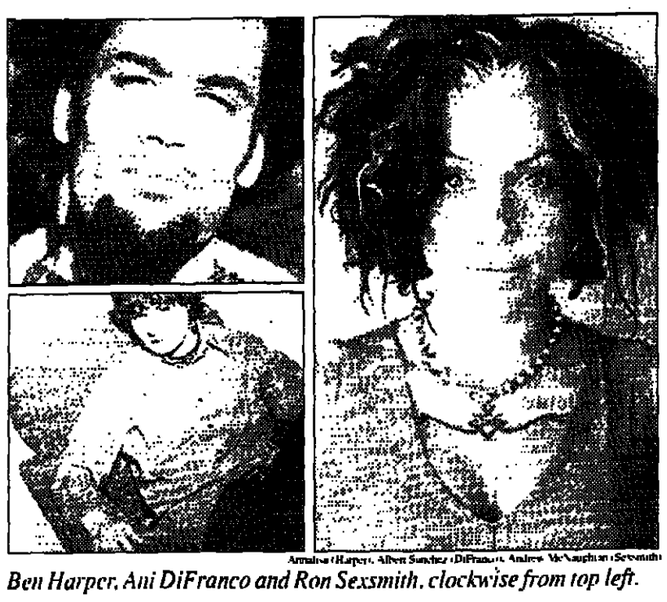
TOMORROW: JAZZ FESTIVAL

Rewriting The Rules Of Folk

Singer-Writers Seek New Voice

By Ann Powers



Armistead (Harper), Albert Sanchez (DiFranco), Andrew McNaughton (Sexsmith)

Ben Harper, Ani DiFranco and Ron Sexsmith, clockwise from top left.

NEW YORK — The praise greeting the singer-songwriter Ron Sexsmith's 1995 debut album included one critic's announcement that it contained "some of the best new folk writing since Beck." Since Beck? Beck may be the hippest polyester-clad punk-rock soul man in pop, but few folk devotees would declare him a descendant of Woody Guthrie.

But his fans know that Beck, 26, who brought the world "Loser" three years ago, began his career on the folk circuit, with an acoustic guitar and crooning songs like "Cyanide Breath Mint."

Sexsmith, who is 33 and whose music would sound at home in a folk-rock enclave, nonetheless relishes the association. "It's a little weird," he says. "But I relate to it much more than to being compared to Jackson Browne."

Over the last couple of years the role of the singer-songwriter has undergone a quiet transformation. A handful of young artists are forgoing the protective environs of the rock band and the hip-hop studio, trying to win the world with little more than voice and guitar.

"Nobody wants to be called a singer-songwriter," says Elliott Smith, 27, whose three solo albums have made him a popular bard on the underground rock scene. "There's this whole history of boring, drippy stuff. It's kind of a trashed term."

When the genre solidified in the early 1970s, its practitioners were turning folk-music stylings into something more pop and more personal. As the counterculture waned, literary-minded musicians used the style to communicate well-wrought home truths. Then came soft rock, a commercial phenomenon that culminated in banal hits.

Today's innovators cull from the singer-songwriter heritage, but they are also determined to challenge it. Ani DiFranco, 26, whose eight albums topping 750,000 sales make her the most successful of the new singer-songwriters, takes an expansive view.

"I consider rap and punk and folk to be connected," she says. "It's community-based music that expresses what's going on."

DiFranco's popularity is the strongest proof that the singer-songwriter still fulfills a vital function in the emotional life of contemporary music.

The tradition's originators communicated pure-heartedness by using rustic imagery, personal confession and subdued musicianship. Today, the best singer-songwriters speak very differently, using the streetwise idioms of the urban, polyglot and commercial worlds where they live.

This everyday language can be disarmingly simple. In "Pretty Little Cemetery" Sexsmith describes a visit he paid to a Toronto graveyard with his young son. Over a lilting melody that recalls a Shaker hymn, Sexsmith relates the boy's guileless declaration to an old couple passing by: "This is where you go to when you die, my papa told me so/ The old man says, 'Yes, we know.' "

It's a simple moment, and Sexsmith offers it unadorned. His songs resound with such details, unadulterated by flowery prose or elaborate references.

An affinity for the alternative is hardly surprising among artists who came of age in the early '90s. Woodstock and Monterey Pop are not signposts for this generation. For the most part, their style is grounded in the subculture of the 1980s, the same milieu that produced Kurt Cobain.

If any legendary countercultural moment makes sense to them, it's Bob Dylan's decision to "go electric" at the 1965 Newport Folk Festival. Dylan's embrace of the electric guitar horrified folk purists and exploded the possibilities for singer-songwriters.

"It was one of the best moments in rock-and-roll," says Smith, whose own subtle tales of bohemian street life had the opposite effect on the aggressive Northwest rock scene, making what was once loud quiet.

"It's a big, discredited gray area, but that's why it's fun," he says of the genre he's exploring. "You can do all kinds of things with it."

DiFranco pushes the limit differently, she has no problem with the small world of folk festivals, but her style and subject matter go against its grain, recalling instead the bold new feminism of rockers like Courtney Love. Her newest release, "Living in Clip," testifies to the powerful spark she has set to an old form.

Ben Harper, 27, similarly refreshes a familiar role, that of the sage African-American storyteller. He injects his music with funky backbeats and writes love songs as whimsically skeptical as his revolutionary songs are idealistic.

"To me, folk music is not a dulcimer or banjo; it's not a sap boring you to death on an acoustic guitar," he says. "Run DMC is folk hip-hop. Jimi Hendrix is folk rock."

On his third album, "The Will to Live," Harper makes good on his ambition, exchanging his former acoustic-heavy sound for full-blown electricity — just as Dylan did in 1965.

DiFranco puts it this way: "Give somebody a blowtorch, send them out to the woods, and say make a fire. That's not hard. That's rock with the amplifier turned up to 11. But send them out with two sticks, and say make a fire." She pauses to laugh out loud. "Now that," she says, using a term that evokes daring for her generation, "that's punk rock."

Ann Powers, a pop music critic, wrote this for The New York Times.

New Nostalgia on Record

By Bernard Holland
New York Times Service

NEW YORK — The city of New York has sent me a new booklet on recycling; and being civic-minded, I have established my green area (newspapers, threatening letters, press releases) and my blue area (empty beer cans, empty wine bottles, empty aspirin jars).

I am especially proud to be in the field of classical music, which is recycling with the best of them. Just as ground-up applesauce jars now gleam in road surfaces, nothing musical is being wasted.

A case in point: the arrival the other day of four CDs boxed together by RCA Victor. On them, an awful lot of Richard Strauss is being performed by an awful lot of Fritz Reiner and the Chicago Symphony Orchestra. No squandered resources here. Reiner made these recordings more than 40 years ago, and it's nice to know that like shirt cardboard, they keep turning up in fresh guises.

First it was in the form of long-playing records. When listeners finally bundled them up and left them on the curb, record companies came by in their trucks and milled them into compact disks.

Not only is this good ecology, it doesn't cost much. The companies generally own the tapes, and paying for reuse rights is a lot cheaper than hiring the Chicago Symphony again.

Leafing through the new releases section of the Schwann/Opus catalogue shows just how busy recyclers have been. There is a lot of old in the new. Sony Classical has reconfigured some of its natural resources into CD lumps: "The Music of Beethoven," "The Music of Brahms," "The Music of Schubert." Colin Davis, Eugene Ormandy and Philippe Entremont seem strange bedfellows, but what brings them together is that Sony owns their performances.

The strategy, then, is not to create but to rearrange. Put old things in comfortable places, or maybe even new and unusual ones. I note in the catalogue a release entitled "Chopin With Ocean Sounds." That should move off the shelves.

One old theory — and it has made record companies lots of money — says that we learn about a piece by listening to different interpretations (as many, in other words, as the labels can put in record stores). The strategy may be running out of room, or backfiring.

I THINK listeners are beginning to figure out that there is little added wisdom to be had from the 19th new recording of the Brahms First Symphony: that our image and our knowledge of Brahms is mostly in our heads, and that every interpretation of Brahms is simply a reminder of what has grown within us, another imperfect flicker on the famous wall inside Plato's cave.

We have become as saturated as a Staten Island dump. Offering to the public six releases of Walter Gieseking playing the "Emperor" Concerto only dulls our love of Beethoven. One consolation is the difficulty of adding newly to the pile. Any future Brahms First or Beethoven "Emperor" will be hellishly expensive to produce, and we have many old ones.

The public, moreover, has long been convinced that if something is old, it will be better anyway. Why waste? Recycle!

If we do insist on something new, we can at least use less valuable resources. Cut-rate labels have had success by looking ever eastward. When America's orchestra unions effectively priced themselves out of the market, it was discovered that recording was not nearly so expensive in Britain. Suddenly Vienna offered even lower prices, then Prague.

We are almost to the point of parachuting a flat-fee conductor and a tape recorder into Irkutsk or Tashkent and hoping to hire orchestra musicians for a song, or at least some vodka.

That is how budget labels find you a brand new Brahms First: not a great or even a good one but, for a budget-conscious public, an acceptably bad one.

Recycling suits classical music these days. We can't get enough of old composers or old performers. There is the tantalizing aura of the "golden age."

I had a colleague, now in another end of the music business, who regularly wailed that everything around him was terrible but that everything far away was not. I am tempted to send him Reiner-Strauss. He would like the fresh, shiny cover and could moan over lost beauties. New nostalgia. It is keeping the record companies in business.

BRITISH THEATER

Reviving the 'English Chekhov'

By Sheridan Morley
International Herald Tribune

LONDON — It was the drama critic Hilary Spurling, who more than 20 years ago campaigned to have the plays of Rodney Ackland recognized as some of the greatest of the century, and since then she and the directors Sam Walters and Frith Banbury have brilliantly continued the fight without as yet achieving outright victory.

Banbury, now in his middle eighties, was sadly too ill to complete the current production of Ackland's "After October" at the Minerva in Chichester, but Keith Baxter has in his absence come up with a rich and rare revival of the drama that, in Ackland's lifetime, was his only real West End hit exactly 60 years ago. Then, it was Ackland himself who played the role of the young dramatist whose long-awaited first night turns out to be a fiasco.

Ackland is thought of by some as the "English Chekhov." Other dramatists of these immediately pre- and postwar years also had the Chekhov label hung around their dramas, notably Wynyard Browne and N.C. Hunter, but while they are now seldom if ever revived — and for good reason — Ackland continues to simmer away, a playwright of resentment and suppressed rage and real dramatic talent that should see him safely into the next century.

True, "After October" owes perhaps a little too much to Noel Coward's "Hay Fever," written a decade earlier: that play too is about a scatty actress, her poetic son and assorted visitors to a genteel kind of madhouse, but there all resemblance ends. Ackland rewrites Coward in blood and bile, his people have never known success and are never likely to, but they occupy an intriguing borderline along which the old drawing-room comedies suddenly confront the new terrors of the postwar theater.

The Chekhovian parallels are easily drawn; everyone in "After October" wants something they are clearly not going to get in this life, whether it be theatrical success or romantic happiness or just a decent hot meal. The play aches with reality: Ackland had been a lodger in the house of the actress Mary Merrall, who is clearly the inspiration for the role played here by Dorothy Tutin. In a strong cast Nick Waring plays the son, with Murray Melvin as the equally failed poet who represents his conscience. If Baxter's production sometimes becomes a little manic in its determination never to bore latter-day theatergoers, that is a small price to pay for the return of a real curiosity.

In the end, the resonances here are not so much of Chekhov or Coward but rather of an American '30s classic like Saroyan's "The Time of Your Life" or Kaufman-Hart's "You Can't Take It With You," plays full of weird and wondrous eccentrics but shot through with a deep kind of melancholic nostalgia, that sense of a world about to disintegrate at least partly because of its own lethargic inability to face the new realities. If Ackland had ever written for an American audience, he'd have been filmed by Preston Sturges or Frank Capra and you can't do much better than that.

This week, "After October" moves to Greenwich for a month; catch it there if you can, though it richly deserves a Shaftesbury Avenue address.

Also on the road at present is "Mrs. Warren's Profession" in a sturdy if not hugely exciting production by Alan Strachan for the Touring Partnership, a group of regional theaters that have wisely formed themselves into a network of shared costs. Penelope Keith stars as the unrepentant brothel owner in the play that (though rather less powerful than "Widowers' Houses" or "Major Barbara," with which it shares the common theme of "distasteful" moneymaking) all the same, remains one of Shaw's briskest and most timely of dramas. Carolyn Backhouse is suitably unforgiving as Vivie, first of the modern feminists, but this remains a dutiful rather than revelatory revival.

At the Piccadilly, "Steaming" is an equally brisk but rather more pointless revival of Nell Dunn's 1970s hit about the six women staging a poolside protest at the threatened closure of their public baths. Like many surprise hits of that period, this one really doesn't stand up to a revisit, especially as the closure of public baths no longer seems to be very high on the national agenda at a time when hospitals and schools are the greater danger. All the same, six nude women can usually be relied on to sell a good many tickets in Soho, and there are intelligent performances here from the gargantuan Julie T. Wallace, Sheila Reid as her minuscule mother and Diane Langton, who eventually takes to the flying trapeze in a forlorn attempt to give the play the ending it has always lacked.

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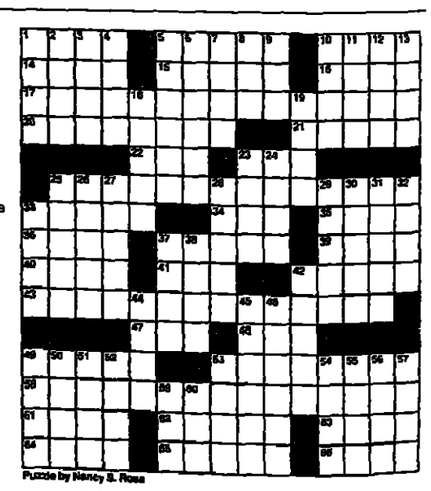
CROSSWORD

ACROSS
1 A single time
5 Stephen King's home state
10 Porgy's beloved
14 Gloucester's king
15 Jostle
16 Teatro —— Scala
17 IRIS
20 Book addendum
21 Striped chalcedony
22 Guest room, frequently
23 Prosciutto
25 IRIS
33 Selfish sort
34 Ring shout
35 Chinese nurse
36 Bridge achievement
37 Snack items
39 In —— (undisturbed)
40 Rival of Rival
41 Darling of the diamond
42 Boobs
43 IRIS
47 Wonder
48 Actor Beatty
49 Play for time
53 Academic term
58 IRIS
61 Shortly
62 Kind of flare or system
63 "—— Named Sue"
64 Well-bred chap
65 Porterhouse kin
66 Kesey and Follett
12 Blind segment
13 Red-tag event
18 Where Saul consulted a witch
19 Identify
23 Servants
24 "The —— have it"
25 Arum lily
26 Giraffe's relative
27 Fruit at the bar
28 Bringing off
29 Dated
30 Wrong
31 Hotel charges
32 Consequently
33 Nicholas or Alexander
37 Be exultant
38 Gordie of the N.H.L.
42 European viper
44 Debutante's affair
45 Kind of show or band
46 Shy and modest
49 Small setback
50 Sound quality
51 Bath's county
52 Mardi Gras follower
53 Manche capital
54 Mt. Rushmore's state: Abbr.
55 Start of a Hamlet soliloquy
56 Subj. for an M.B.A.
57 Actor John ——Davies
59 Suffix with vocal
60 Sorrowful sound

DOWN
1 One of Chekhov's Three Sisters
2 Tide type
3 Gefilte fish ingredient
4 Mahler's "Das Lied von der ——"
5 Tailor, at times
6 Describing some skiing
7 Old World goat
8 Neither's partner
9 One welcomed to the fold?
10 [Just like that!]
11 Lamb's pen name



Puzzle by Nancy B. Rose

© New York Times/Edited by Will Shorts

Solution to Puzzle of June 3

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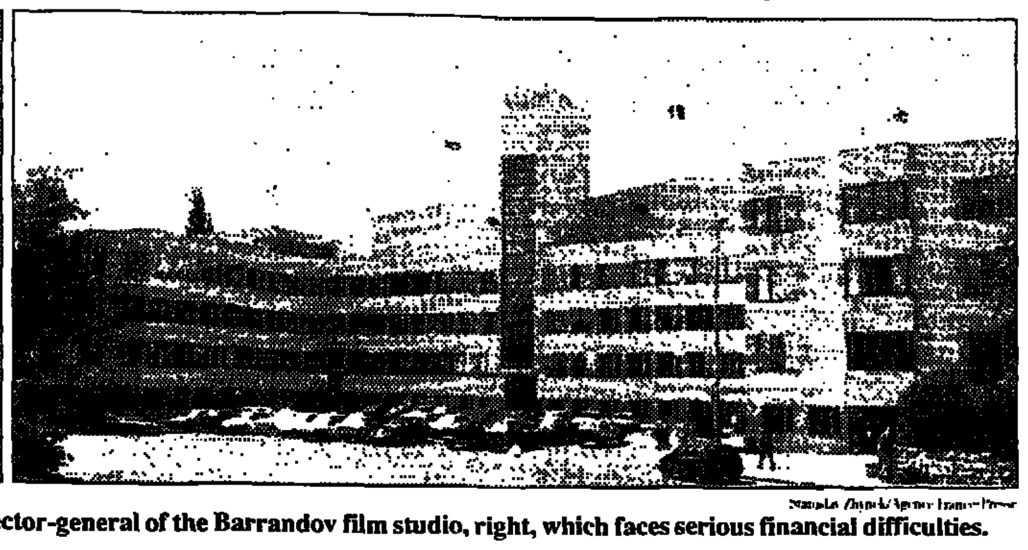

Michal Dolezal/Agence France-Presse Stanislav Zbynek/Agence France-Presse

Vaclav Marhoul, who was recently replaced as director-general of the Barrandov film studio, right, which faces serious financial difficulties.

Famed Czech Film Studio Finds Its Future Fuzzy

By Peter S. Green
International Herald Tribune

PRAGUE — A few weeks ago, Vaclav Marhoul, 37, the director of Prague's legendary Barrandov film studios, was flying high. His struggle to transform the 50 hectares (about 125 acres) of soundstages, back lots and editing rooms from a state-subsidized monolith into a dynamic group of profit-oriented companies called AB Barrandov AS finally seemed to be bearing fruit.

On one stage, Liam Neeson was starring in a film version of "Les Miserables." On another, Julia Ormond was being pursued by a Russian cavalryman in "The Barber of Siberia," a Barrandov co-production. A film production and distribution venture seemed to be doing well, and Mr. Marhoul was hunting for a partner to build a theme park on the studio's back lot.

But in early May, Moravia Steel, the provincial ironworks that backed Mr. Marhoul financially when he took over the studios, called in its markers. It dismissed him and replaced him with its own appointee, a former chairman of the steelmaker.

MEDIA MARKETS

Mr. Marhoul's tenure at Barrandov could serve as a cautionary tale of the hazards of doing business in the new Czech Republic, where the difficulty of gaining venture capital often forces entrepreneurs to mortgage their futures to finance their deals. The trouble at the studios, where the Czech-born director Milos Forman made some of his best-known films in the 1960s, also points up the difficulty of insulating cultural institutions from the turbulent transition to a market economy.

Moravia maintains that it intends to preserve the studio's role and that the ouster of Mr. Marhoul was prompted by a desire to protect Moravia's investment after he had run up huge losses. Mr. Marhoul countered that the losses were an accounting trick and that Moravia had used the studio's buildings as collateral for loans to cover losses at its steel mills.

A spokeswoman for the ironworks first denied that, then conceded that the studio carried an 800 million koruny ($24.2 million) mortgage.

"A company with 170 million koruny losses last year cannot support anything," Moravia's vice chairman, Rudolf Ovcari, said of the studio. "The new director was installed at Barrandov just to let it support similar activities in the future."

Since his ouster, Mr. Marhoul has been forecasting the demise of Czech cinema. "I'm afraid they are going to cancel the production and distribution business and just rent out the hall to other productions," he said.

See MOVIES, Page 17

Wal-Mart Heads South Of Border for Growth

Retailer to Invest $1.2 Billion in Mexico

Compiled by Our Staff From Dispatches

NEW YORK — Wal-Mart Stores Inc. said Tuesday that it would invest $1.2 billion to acquire a controlling stake in Cifra SA, Mexico's largest retailer, in a deal that would be its biggest move yet to expand outside the United States.

Under the agreement, Cifra will first buy out Wal-Mart's stake in a joint venture between the retailers in Mexico, which includes 145 stores and restaurants. Wal-Mart will then make an offer for stock in Cifra, after which Wal-Mart expects to own a controlling stake in the Mexican company.

Wal-Mart began its joint venture with Cifra more than five years ago. It was the first push outside the United States for Wal-Mart, which now operates 314 international stores and is the world's largest retailer.

Wal-Mart's expansion has come as other U.S. retailers have scaled back their presence in Mexico, which is still recovering from the deep economic slump triggered by the currency crisis in late 1994. This year, Kmart Corp. has sold its Mexican stores for $90 million and Sears, Roebuck & Co. has sold a 60 percent stake in its money-losing Sears de Mexico operation.

Wal-Mart's approach has been to move slowly and methodically to learn as much about foreign markets and cultures before expanding more aggressively. The investment in Cifra "falls very much in line with Wal-Mart's strategy of being fully in control of every part of their operations," said Kurt Barnard, president of Barnard's Retail Marketing Report.

"We are certain that the synergies and the combined efforts resulting from this merger will enhance our growth opportunities, increase our leadership in the market, and help us assure the lowest prices for our customers," said Henry Davis, Cifra's chief executive.

Wal-Mart, which is based in Bentonville, Arkansas, has opened stores in other Latin American markets, including Argentina and Brazil, and has also moved into Canada, China and Indonesia. The retailer's expansion program began paying off in the fourth quarter when the international unit reported its first quarterly profit, $65 million.

The Mexican company will continue to be called Cifra after Wal-Mart buys its stake.

Cifra's stores, as well as those of the joint venture, will continue to operate under the same names, including Aurrera, Bodega Aurrera, Superama, Suburbia, Vip's, Sam's Club and Wal-Mart Supercenters. Aside from the 145 retail outlets in the joint venture, Cifra independently operates 228 others.

Cifra, which was founded in 1958, employs nearly 50,000 workers and had sales of $2.9 billion in 1996. Wal-Mart had sales of $104 billion last year, operating more than 2,300 stores worldwide. The companies had said Wal-Mart was in talks to acquire the stake on April 23.

In the first step of the transaction, Cifra will pay a $300 million dividend to existing shareholders. Then the joint venture will be merged into Cifra, with Wal-Mart receiving shares of Cifra Series A and Series B common stock for its joint venture interest.

Wal-Mart intends to make a public tender offer on the Mexican Stock Exchange for the additional Cifra Series A and B voting shares at a price expected to be the peso equivalent of between $1.89 and $2.03.

After the merger, which is subject to shareholder approval, Wal-Mart said it would own a majority interest of the voting stock. *(Bloomberg, AP, AFX)*

Bundesbank's Message to Europe: We Are the Monetary Police

By Alan Friedman
International Herald Tribune

PARIS — In forcing the government of Chancellor Helmut Kohl to back down from its plan to revalue German gold reserves, the Bundesbank has sent a powerful signal across Europe that it is now back in business as the de facto arbiter of European monetary union.

"The Bundesbank has now been empowered to police Maastricht properly," said David Roche, president of London analysts Independent Strategy.

Mr. Roche and other economists said they expected the German central bank to serve as referee over Europe's fiscal rigor from now until the currency's introduction in January 1999.

"I think the Bundesbank's hand has now been immeasurably strengthened," said David Marsh, director of European strategy at investment bankers Robert Fleming. "The Bundesbank will now make it quite clear that monetary union can only go ahead on the basis of a strict interpretation of the criteria, and that includes other European nations. In the past, the Bundesbank had the power to influence from the background. It now has power to influence from the foreground."

The Bundesbank's victory thus not only reasserts the German central bank's authority at home and diminishes the moral authority that Mr. Kohl and Finance Minister Theo Waigel have to preach fiscal rigor to other European partners. In broader European terms the

NEWS ANALYSIS

Frankfurt-based central bank could soon be in a position to police and even oppose any weakening of Maastricht treaty terms by France, Italy and others as well.

The reason for this is that the Bundesbank will be called upon in early 1998 to give its opinion, along with other central banks and the European Monetary Institute, as to how satisfactorily the single currency terms have been observed for 1997. While this opinion does not have the force of law, it could prove decisive in political terms.

For example, if the new government of Prime Minister Lionel Jospin is lax in meeting France's single currency targets, or, if its seeks, as Mr. Jospin promised during the election campaign, to water down the terms of the fiscal stability pact that is supposed to act as a discipline on member governments once the euro is introduced, the Bundesbank could raise objections next year.

"What the Bundesbank has done in the past week," said Alison Cottrell, senior economist at PaineWebber in London, "could be a kind of dress rehearsal for what they would do in 1998 if the government looked like it was selling out for a weak euro. If the French try and reopen the stability pact that really is a nonnegotiable area for the Germans, and if it is a case of negotiation or bust then I think it will be bust, meaning the 1999 starting date for the euro goes bust."

Several economists stressed Tuesday that the Bundesbank's domestic victory would almost certainly mean that its opinion about other nations next year could make or break the single currency.

"In 1998 the Bundesbank can use its power and influence by saying that German monetary stability is endangered by other countries either failing to meet the criteria or by meeting it in a manner that the Bundesbank considers to be unsustainable," Mr. Roche said.

"What I think could happen is that European politicians will try and calm everyone down with empty declarations for the next six months," he added. "By that time it will be clear that France and Germany's budget performances are drawing apart and then either the markets will realize that the Bundesbank is going to blow the whistle, or, alternatively, the Bundesbank will simply do so in 1998."

■ Sweden Says No to EMU

Sweden said Tuesday it would not join the European Union's single currency in 1999 but sought to keep the door open for membership some time in the future, Reuters reported from Stockholm.

Prime Minister Goran Persson said at a news conference that the EU's project for a single currency was too shaky and that public opinion in Sweden, one of the EU's newest recruits, was solidly against membership.

Daewoo: Eastern Europe's Car Giant?

By Peter S. Green
International Herald Tribune

PRAGUE — Daewoo Corp., South Korea's manufacturing giant, is poised to become the largest automaker in Eastern Europe, with billions of dollars already invested in local automakers.

The company is racing to catch up with regional leaders such as Volkswagen AG, Fiat SpA, Dacia RA of Romania and Avtovaz of Russia, according to recent research reports.

"Daewoo is obviously taking over," said Elaine Hardy, director of a new regional study by Harbour Wade Brown, British auto-industry analysts. "They're really going places, and the automakers from Japan and Western Europe are losing out."

Analysts say Daewoo is using low-paid, highly skilled workers to target Western Europe's car markets as well as the growing economies of Eastern Europe. If it meets sales targets, it could become one of the world's top 10 carmakers.

"I think they are using Eastern Europe as a launch pad to attack West European markets," said Tim Armstrong, an automotive analyst with DRI/McGraw Hill.

Daewoo executives said recently that the company planned to produce about 2.5 million cars a year — 1.5 million overseas and 1 million in Korea. As wages and living standards rise at home, the company has been building up capacity in Eastern Europe.

Daewoo already makes cars, light trucks and parts in Poland, Romania, the Czech Republic, Hungary, Slovakia, Russia and Ukraine. It has also said it would consider projects in Bulgaria and Croatia.

By 2000, Daewoo wants to build 1 million cars annually in Eastern Europe, Ms. Hardy said.

A report by DRI/Plan-Econ rates Daewoo as Eastern Europe's fourth-largest car maker, behind Volkswagen, Fiat and Dacia. But some analysts say Daewoo's plans are too ambitious.

"I think they are overestimating the capacity of the market to absorb their production," Mr. Armstrong of DRI said. For now, much of Daewoo's production consists of assembling kits from Korean-made parts. That has left it vulnerable to the vagaries of transition economies. At the Daewoo plant in Craiova, Romania, 10,000 unsold cars fill the fields around the factory after a collapse in the local currency, the leu, effectively tripled the price of a new Daewoo.

Daewoo says it has sold fewer than 400 cars in Romania this year.

Dacia, the local rival, uses mostly Romanian parts and saw production rise 20 percent in the first two months of the year, to 16,294 vehicles, as the cost of a new Dacia fell in dollar terms.

But in Poland, the region's largest market, with 373,542 new-car sales last year, Daewoo's sales of both South Korean and Polish models rose 494 percent in the first three months of 1997, to 28,228 vehicles, according to DRI/Plan-Econ.

Rather than build all-new factories, Daewoo has been buying state-owned automakers from governments eager to privatize.

Eastern Europe is one of the world's fastest-growing car markets. DRI reports that 1.9 million cars were sold in 1996, up from 1.6 million in 1995. By 2000, Mr. Armstrong said, the region's consumers will be buying more than 2.5 million new cars a year.

CURRENCY & INTEREST RATES

Cross Rates

June 3

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.946	3.178	1.1252	0.3337	0.1146*	—	5.452*	1.3525	1.6735*	1.4135	1.3385*
Brussels	35.715	58.3225	20.645	6.1215	2.098*	18.352	—	24.976	0.3074	26.00	24.425*
Frankfurt	1.7172	2.8215	—	0.2966	0.1016*	0.8888	4.8447*	1.2060	1.4873*	1.2551	1.1834*
London (a)	1.6342	—	2.824	9.527	2,776.544	3.1777	58.2943	2.3496	189.95	2.3402	238.5516
Madrid	145.840	238.534	84.486	25.06	8.596*	75.083	4.0921	102.771	125.818*	106.283	—
Milan	1,699.25	2,772.80	984.60	291.92	—	874.30	47.675	1,186.80	14.677	1,224.25	11.642
New York (b)	—	1.6347a	1.7278	5.8255	1,687.80	1.9435	35.65	1.4376	116.825	1.3752	145.43
Paris	5.82	9.5185	3.3174	—	0.343*	2.9962	0.1633	4.0612	5.0207*	4.238	3.991*
Tokyo	116.80	190.91	67.61	20.08	0.686	59.93	3.2667	81.42	—	84.775	0.7984
Toronto	1.375	2.2476	0.7959	0.2360	0.0801*	0.7075	0.3858*	0.9565	1.1845*	—	0.943*
Zurich	1.434	2.3407	0.8271	0.2469	0.0847*	0.7402	4.0336*	—	1.2376*	1.0442	0.985*
1 ECU	1.1362	0.6967	1.9615	6.613	1,927.38	2.2072	40.475	1.6284	133.714	1.5684	165.608
1 SDR	1.3874	0.8478	2.3937	8.0799	N.Q.	2.6965	49.4721	1.9824	161.422	1.9098	202.343

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 p.m. and Toronto rates at 3 p.m.
*a: To buy one pound. b: To buy one dollar. *Units of 100. N.Q.: not quoted. N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9984	Greek drac.	274.60	Mex. peso	7.907	S. Afr. rand	4.4685
Australian $	1.3193	Hong Kong $	7.7439	N. Zealand $	1.4543	S. Kor. won	890.90
Austrian sch.	12.122	Hung. forint	182.62	Norw. krone	7.1059	Swed. krona	7.776
Brazil real	1.0705	Indian rupee	35.785	Phil. peso	26.36	Taiwan $	27.88
Chinese yuan	8.3217	Indo. rupiah	2432.50	Polish zloty	3.22	Thai baht	24.81
Czech koruna	32.90	Irish £	0.6705	Port. escudo	173.96	Turkish lira	141440.
Danish krone	6.5682	Israeli shek.	3.4064	Russ ruble	5773.0	UAE dirham	3.6725
Egypt. pound	3.3897	Kuw dinar	0.3004	Saudi riyal	3.75	Venez. boliv.	483.50
Fin. markka	5.1695	Malay. ring.	2.5165	Sing. $	1.4311		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6349	1.6339	1.6328	Japanese yen	115.30	114.82	114.30
Canadian dollar	1.3717	1.3682	1.2655	Swiss franc	1.4236	1.4185	1.4129
Deutsche mark	1.7195	1.7157	1.7119				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

June 3

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	2^{31}/$_{32}$ - 3⅛	¾ - 1	6⅛ - 6½	3¼ - 3⅜	⅜ - ⅝	4 - 4⅛
3-month	5⅝ - 5¾	3^{1}/$_{16}$ - 3^{3}/$_{16}$	1 - 1⅛	6½ - 6⅝	3⅜ - 3½	½ - ⅝	4^{1}/$_{16}$ - 4^{3}/$_{16}$
6-month	5¾ - 5^{15}/$_{16}$	3⅛ - 3¼	1⅛ - 1⅜	6½ - 6⅝	3^{7}/$_{16}$ - 3½	½ - ¾	4⅛ - 4¼
1-year	6^{1}/$_{16}$ - 6⅛	3⅜ - 3½	1¼ - 1^{7}/$_{16}$	6⅞ - 7	3½ - 3⅝	⅞ - ^{15}/$_{16}$	4^{5}/$_{16}$ - 4^{7}/$_{16}$

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5½	5^{9}/$_{16}$
90-day CDs dealers	5.75	5.69
180-day CP dealers	5.68	5.62
3 month Treasury bill	4.96	4.80
1-year Treasury bill	5.45	5.47
2-year Treasury bill	6.18	6.21
5-year Treasury note	6.47	6.50
7-year Treasury note	6.53	6.56
10-year Treasury note	6.62	6.65
30-year Treasury bond	6.87	6.90
Merrill Lynch 30-day RA	5.02	5.02
Japan		
Discount rate	0.50	0.50
Call money	0.45	0.44
1-month interbank	0.54	0.54
3-month interbank	0.56	0.56
6-month interbank	0.65	0.65
10-year Govt bond	2.82	2.77
Germany		
Lombard rate	4.50	4.50
Call money	3.08	3.08
1-month interbank	3.15	3.15
3-month interbank	3.18	3.18
6-month interbank	3.22	3.22
10-year Bond	5.81	5.99

Britain		
Bank base rate	6¼	6¼
Call money	6^{5}/$_{16}$	7⅛
1-month interbank	6^{7}/$_{16}$	6^{5}/$_{16}$
3-month interbank	6^{9}/$_{16}$	6^{9}/$_{16}$
6-month interbank	6¾	6¾
10-year Gilt	7.12	7.19
France		
Intervention rate	3.10	3.10
Call money	3⅛	3^{1}/$_{16}$
1-month interbank	3¼	3^{5}/$_{16}$
3-month interbank	3^{5}/$_{16}$	3^{5}/$_{16}$
6-month interbank	3½	3½
10-year OAT	5.60	5.84

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	344.25	342.75	−0.85
London	343.80	343.05	−0.85
New York	346.50	345.70	−0.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

Global Private Banking

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Headquarters of Republic National Bank of New York (Suisse) S.A. in Geneva.

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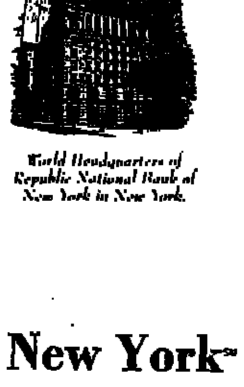

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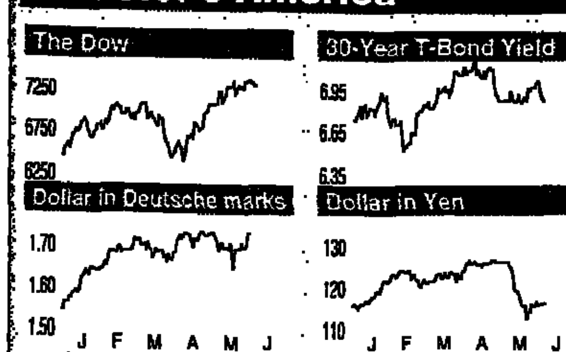
THE AMERICAS

Investor's America



Exchange	Index	Tuesday @4PM	Prev. Close	% Change
NYSE	The Dow	7312.15	7289.40	+0.31
NYSE	S&P 500	845.48	846.33	-0.10
NYSE	S&P 100	826.84	826.90	-0.01
NYSE	Composite	442.36	441.53	+0.19
U.S.	Nasdaq Composite	1384.91	1404.77	-1.41
AMEX	Market Value	609.02	607.17	+0.30
Toronto	TSE Index	6432.70	6405.50	+0.42
São Paulo	Bovespa	11110.42	11349.82	-2.11
Mexico City	Bolsa	4059.02	4005.51	+1.34
Buenos Aires	Merval	787.39	790.87	-0.44
Santiago	IPSA General	5725.41	5742.22	-0.29
Caracas	Capital General	7042.69	6855.41	+2.73

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

• **Humana Inc.** agreed to buy **Physician Corp. of America** for $400 million in cash and assumed debt to expand its business in Florida and Texas.

• **Signet Banking Corp.** said it would eliminate 1,135 jobs, or about a quarter of its work force, and sell 39 branches to try to lift its slumping earnings.

• **Bristol-Myers Squibb Co.** said it had acquired from **Novartis Pharma AG** the worldwide development and marketing rights for two protease inhibitor compounds that ultimately could be incorporated in treatments of patients with acquired immune deficiency syndrome. Terms were not disclosed.

• **United News & Media PLC** said it had acquired **PR News Service** of Chicago. It did not disclose the price.

• **MCI Communications Corp.** said it was offering a flat-rate service plan in 40 U.S. states that would hold local phone charges below those offered by the regional Bell operating companies.

Bloomberg, AFX, Reuters

Don't Worship Java, Gates Says

By Mitchell Martin
International Herald Tribune

ATLANTA — Bill Gates, chairman of Microsoft Corp., said Tuesday that the computer industry would not adopt Java as the sole language of programming, putting him at odds with executives of other leading companies.

Mr. Gates, speaking at the Spring Comdex trade show, said it was unreasonable to expect all existing programs to be rewritten in Java and that certain applications would continue to take advantage of features in other operating systems, including Apple Computer Inc.'s Macintosh and Microsoft's Windows family.

On Monday, Jeff Papows, president of Lotus Development Corp., said the future of the computer industry depended on "the religious insistence of 100 percent-pure Java" applications. Java allows programmers to write software that can run on different operating systems.

Mr. Gates's response was: "I think it's a little strange to get religious about this; there are user requirements." He added, "Whenever people want to write applications, they ought to have a choice."

Lotus is a subsidiary of International Business Machines Corp., which is part of a loose alliance of companies that are seeking to wrest control of the industry's agenda from Microsoft. Because its Windows system is so pervasive in desktop computers, Microsoft has been able to dominate other parts of the industry.

Mr. Papows had said that Microsoft had "near-monopolistic" power over desktop products.

"Java," he said, "is the universal environment for an applications renaissance." The language, developed by Sun Microsystems Inc., occupies a niche similar to that of Unix, which was widely used in scientific and other high-end computing, but which suffered from having many different versions.

"If we screw this up," said Mr. Papows, likening Java to Unix, "we've lost our last chance." Mr. Papows warned that Microsoft might develop its own version of Java.

The debate over Java is related to the outlook for network computers, which would mainly be used for accessing the Internet or corporate systems known as intranets. Java is seen as the natural choice for network-based computing, and its widespread adoption would pressure Windows.

Executives of several companies that make network computers, at a panel discussion Monday, identified Java capability as a key requirement of customers.

Blue Chips Rise, but Tech Shares Slip

Compiled by Our Staff From Dispatches

NEW YORK — Blue-chip shares rose slightly Tuesday as routs in technology and tobacco shares overshadowed a rally in oil issues.

Computer, semiconductor and software issues slid after the disk-drive maker Seagate Technology and the telecommunications equipment maker Cabletron Systems warned of disappointing sales.

Philip Morris, down ½ at 42¼, led tobacco shares lower after Newt Gingrich, speaker of the U.S. House of Representatives, said there was no better than a 1-in-3 chance of congressional approval of any settlement of smoking-related lawsuits.

Chevron rose 1⅜ to 71½ and other energy issues advanced, furthering a seven-week rally that has sent many of the stocks to records. Oil and gas demand is expected to expand this year as European economies recover and Asian markets grow.

"The outlook for second-quarter earnings is very strong, and that's attracting money to the sector," said Karen Johnson, an analyst at Banc One Investment Advisors Corp.

The Dow Jones industrial average was up 22.75 points at 7,312.15. Advancing issues outnumbered decliners on the New York Stock Exchange by a 7-to-5 ratio.

The Nasdaq composite index, which

U.S. STOCKS

is heavily weighted with computer-related stocks, was down 19.88 points, or 1.4 percent, at 1,384.91.

Cabletron slumped 15½ to 30¼, and Seagate fell 3⅜ to 38¾ in active trading on the New York Stock Exchange. In Nasdaq trading, meanwhile, Intel slumped 4¾ to 145, and Cisco Systems was 3 1/16 lower at 64¾.

The Standard & Poor's 500 index was off 0.88 points at 845.48.

Bonds prices rose after a Federal Reserve official and two economic reports suggested the U.S. economy was losing steam. The price of the benchmark 30-year Treasury bond rose 12/32 to 96 30/32, pushing its yield down to 6.87 percent from 6.90 percent Monday.

Robert Parry, president of the San Francisco Federal Reserve Bank, said the economy was slowing from the first quarter's "rapid" annual growth rate of 5.8 percent.

Reports indicating sluggish retail sales as well as a drop of 0.1 percent in the Conference Board's April index of leading economic indicators also helped.

Ford rose ⅞ to 38 amid expectations that the automaker would post its biggest quarterly profit ever for the second quarter.

"This is a market driven by earnings, and earnings are still growing," said J. Thomas Madden, chief investment officer for domestic equities at Federated Investors. "We're still in a long-term bull market." *(Bloomberg, AP)*

German Gold Accord Fails to Fire Mark

Bloomberg News

NEW YORK — The dollar was little changed against the mark Tuesday after Germany's government and central bank reached a compromise on valuing the country's gold and currency reserves.

The government, bowing to Bundesbank opposition, agreed to delay by a year its plan to reduce its deficit by revaluing the reserves at market prices.

But the Deutsche mark did not get much of a boost from the deal because there were still plenty of doubts about Europe's plan for a single currency, especially after the Socialists won the French election Sunday, traders said.

The dollar was quoted in 4 P.M. trading at 1.7278 DM, down from 1.7305 DM on Monday, when the dollar gained 1.3 percent against the German currency.

FOREIGN EXCHANGE

"People are not sure what to make out of the deal yet," Ivar Bjornstad, head of foreign exchange at Den norske Bank, said. "With all the uncertainty about EMU," he said, referring to plans for European monetary union, "owning dollars is the right thing to do, I believe."

Richard Koss, currency strategist at MFR Inc., a money management and consulting firm, said, "The probability for a broad and sloppy euro is increasing, and that is clearly bad for the mark."

The dollar could rise to 1.75 DM in the next two weeks, he said. As for the yen, "the U.S. and Japan are happy where it is and probably want it to stay there," Mr. Koss said.

Against other currencies, the dollar was quoted at 116.025 yen, off from 116.650 yen, at 1.4376 Swiss francs, up from 1.4326 francs, and at 5.8255 French francs, off from 5.8381 francs. The pound was quoted at $1.6347, up slightly from $1.6345.

Taco Bell Chief to the Rescue at Blockbuster

Bloomberg News

NEW YORK — Viacom Inc. on Tuesday named John Antioco, the top executive at Taco Bell Corp., as chairman and chief executive of its ailing Blockbuster Entertainment chain of video and music stores.

Mr. Antioco, 47, who has no experience in the video business, is leaving Taco Bell eight months after being named president and chief executive. He had been a top contender to run all of PepsiCo Inc.'s restaurants, including Kentucky Fried Chicken and Pizza Hut, analysts said. Effective immediately, Mr. Antioco is to take the positions vacated last month by Bill Fields, a former executive of Wal-Mart Stores Inc. whose plan to expand Blockbuster into other types of retailing lost favor with the Viacom chairman, Sumner Redstone.

Mr. Redstone is seeking a quick fix for Blockbuster's 6,000 stores, which have struggled as Wal-Mart and others have gone into the business of selling low-priced videos and compact disks.

"Blockbuster has had fits and starts and changes in direction," Dennis McAlpine, an analyst with Josephthal, Lyon & Ross, said. "He's got to figure out how to use the power Blockbuster has."

Mr. Antioco is best known for his tenure at Circle K Corp., the largest U.S. operator of company-owned convenience stores. He led the company out of bankruptcy with a public offering at $16 a share and sold it three years later to Tosco Corp. for $900 million, or $29 a share, in cash and stock.

Mr. Redstone is hoping for similar growth in value at Blockbuster, the largest U.S. video chain.

INTERNATIONAL FUTURES

June 3, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Jul 97	278¼	274	277¼	-3½	115,980
Sep 97	262½	259	262	-2¼	31,423
Dec 97	260½	257	259½	-1½	109,727
Mar 98	266½	263½	265¾	-1¼	13,736
May 98	269½	267	269½	-1¼	1,388
Jul 98	273	270	273	-1¼	3,409
Sep 98			260	-2	1
Est. sales N.A. Mon's. sales 41,846					
Mon's open int 276,492 off 2028					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jul 97	287.00	282.70	283.10	-4.10	47,396
Aug 97	268.50	264.70	264.70	-3.30	17,169
Sep 97	247.50	244.50	245.00	-2.10	11,122
Oct 97	233.50	230.00	230.60	-2.50	10,710
Dec 97	226.00	223.50	223.80	-2.20	20,538
Jan 98	221.50	220.00	220.00	-1.50	2,368
Est sales N.A. Mon's sales 21,624					
Mon's open int 112,181 off 294					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Jul 97	24.22	23.80	23.85	-0.29	47,735
Aug 97	24.40	24.02	24.05	-0.25	15,834
Sep 97	24.58	24.20	24.23	-0.22	9,472
Oct 97	24.53	24.25	24.25	-0.22	9,182
Dec 97	24.78	24.48	24.52	-0.11	18,157
Jan 98	24.75	24.67	24.67	-0.08	1,376
Est sales N.A. Mon's sales 12,484					
Mon's open int 101,502 off 676					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Jul 97	875	859	863	-15¼	83,462
Aug 97	829	812	813	-15	25,500
Sep 97	736	728½	728½	-3¼	8,931
Nov 97	676½	668½	671½		51,175
Jan 98	679	672½	695	-1	6,616
Est sales N.A. Mon's sales 65,865					
Mon's open int 182,717 off 1251					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Jul 97	365	360½	362	-1¼	46,435
Sep 97	371½	366½	368	-¼	15,504
Dec 97	383	378	378½	-1¼	16,663
Mar 98	384	380	381½	-1¼	1,991
Est. sales N.A. Mon's sales 13,177					
Mon's open int 81,683 up 538					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb					
Jun 97	64.40	63.97	64.17	-0.22	19,551
Aug 97	64.50	63.92	64.22	-0.07	45,157
Oct 97	68.00	67.37	67.57	-0.45	20,607
Dec 97	70.55	70.08	70.32	-0.43	10,653
Feb 98	71.30	70.95	71.02	-0.25	5,381
Apr 98	72.95	72.70	72.80	-0.27	2,207
Est sales 19,751 Mon's sales 20,461					
Mon's open int 104,094 off 340					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb					
Aug 97	77.65	76.92	77.15	-0.67	11,269
Sep 97	77.40	76.75	77.10	-0.45	2,122
Oct 97	77.50	77.00	77.30	-0.32	3,437
Nov 97	78.00	77.60	77.77	-0.40	1,920
Jan 98	79.50	79.10	79.35	-0.15	495
Mar 98	79.90	78.85	79.90	-0.20	97
Est sales 3,301 Mon's sales 1,475					
Mon's open int 19,417 up 238					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb					
Jun 97	81.10	80.27	80.77	-0.10	8,434
Jul 97	82.30	81.22	82.15	-0.35	10,137
Aug 97	80.10	79.35	80.02	-0.17	8,197
Oct 97	72.95	71.97	72.82	-0.02	5,905
Dec 97	70.00	69.30	69.95	-0.02	3,559
Est sales 11,051 Mon's sales 11,880					
Mon's open int 38,968 off 958					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb					
Jul 97	90.20	88.25	89.30	-0.80	5,557
Aug 97	90.00	88.25	89.75	-0.75	1,994
Feb 98	79.60	78.70	79.55	-0.17	427
Est sales 2,717 Mon's sales 2,660					
Mon's open int 7,996 off 228					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Jul 97	1452	1441	1449		36,870
Sep 97	1493	1477	1468	-3	16,538
Dec 97	1521	1512	1515	-1	18,816
Mar 98	1546	1544	1544	-1	21,176
May 98	1567	1565	1562	-1	8,397
Jul 98			1580	-1	555
Est sales 12,758 Mon's sales 4,176					
Mon's open int 94,565 off 635					
COFFEE C (NCSE) 37,500 lbs.- cents per lb					
Jul 97	268.50	259.00	264.25	-10.25	11,661
Sep 97	236.00	222.00	233.35	-8.50	8,125
Dec 97	197.95	187.50	197.05	-6.10	3,207
Mar 98	190.95	172.50	178.00	-6.05	2,166
May 98	172.05	167.00	172.05	-6.05	349
Est sales 11,905 Mon's sales 12,635					
Mon's open int 27,590 off 777					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb					
Jul 97	11.51	11.36	11.48	-0.14	34,547
Oct 97	11.30	11.20	11.29	-0.10	52,513
Mar 98	11.17	11.08	11.15	-0.06	28,373
May 98	11.06	11.01	11.06	-0.06	6,596
Est sales 27,757 Mon's sales 26,986					
Mon's open int 166,579 up 5761					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jul 97	79.50	76.60	77.50	-0.45	16,712
Sep 97	81.25	79.00	79.55	+0.45	7,858
Nov 97	83.50	81.70	82.10	-0.10	3,755
Jan 98	85.90	84.75	84.90	-0.10	1,670
Est sales N.A. Mon's sales 3,611					
Mon's open int 31,505 up 735					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz					
Jun 97	344.50	342.50	343.00	-0.70	1,751
Jul 97			344.20	-0.80	
Aug 97	347.10	345.00	345.70	-0.80	63,722
Oct 97	349.50	348.00	348.20	-0.80	7,426
Dec 97	352.30	350.70	350.80	-0.80	25,997
Feb 98			353.30	-0.80	7,628
Apr 98			355.70	-0.80	3,823
Jun 98	358.60	358.30	358.30	-0.80	7,854
Aug 98			361.10	-0.80	762
Est sales N.A. Mon's sales 15,732					
Mon's open int 150,012 off 314					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb					
Jun 97	117.10	116.00	117.10	-0.10	2,828
Jul 97	117.60	116.15	117.10	-0.05	33,117
Aug 97	115.30	114.90	115.25	-0.20	2,256
Sep 97	114.40	113.20	113.85	-0.35	6,985
Oct 97			111.90	-0.45	1,126
Nov 97			110.10	-0.20	1,214
Dec 97	109.40	108.60	109.10	-0.30	5,788
Jan 98			107.10	-0.30	656
Feb 98			105.60	-0.30	541
Est sales N.A. Mon's sales 9,591					
Mon's open int 58,891 off 27					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz					
Jun 97			471.10	-3.30	4
Jul 97	474.50	469.00	472.80	-3.00	57,825
Sep 97	479.00	473.50	477.10	-2.90	8,052
Dec 97	485.00	480.00	483.40	-2.70	7,895
Jan 98			485.30	-2.60	12
Mar 98	490.00	488.00	490.00	-2.50	8,265
May 98			493.90	-2.00	2,743
Jul 98	500.00	497.60	497.80	-1.50	2,382
Est sales N.A. Mon's sales 12,150					
Mon's open int 91,434 off 399					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz					
Jul 97	408.50	399.00	401.70	-3.00	14,060
Oct 97	397.00	390.00	390.20	-4.50	4,773
Jan 98	395.00	386.20	386.20	-4.50	1,276
Est. sales N.A. Mon's sales 1,977					
Mon's open int 20,131 off 341					

LONDON METALS (LME) Dollars per metric ton	Close		Previous	
Aluminum (High Grade)				
Spot	1553.00	1554.00	1585.00	1586.00
Forward	1577.00	1578.00	1602.00	1603.00
Copper Cathodes (High Grade)				
Spot	2535.00	2538.00	2539½	2541½
Forward	2479.00	2479.00	2583.00	2584.00
Lead				
Spot	610.00	611.00	611.00	613.00
Forward	622.00	623.00	623½	624.00
Nickel				
Spot	7055.00	7065.00	6915.00	6925.00
Forward	7165.00	7170.00	7025.00	7030.00
Tin				
Spot	5615.00	5625.00	5550.00	5560.00
Forward	5670.00	5675.00	5605.00	5610.00
Zinc (Special High Grade)				
Spot	1299.00	1300.00	1303.00	1304.00
Forward	1324.00	1325.00	1327.00	1327½

	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct					
Jun 97	94.95	94.92	94.94		4,097
Sep 97	94.66	94.64	94.66	-0.03	5,707
Dec 97			94.38		842
Est sales N.A. Mon's sales 778					
Mon's open int 9,834 off 180					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Jun 97	105-47	105-41	105-49	-08	115,202
Sep 97	105-36	105-25	105-34	-08	113,440
Dec 97	105-14	105-14	105-14	-07	450
Est sales N.A. Mon's sales 81,861					
Mon's open int 224,247 off 4845					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Jun 97	107-28	107-20	107-27	-07	182,385
Sep 97	107-11	107-02	107-11	-07	175,537
Dec 97	106-27	106-27	106-27	-03	1,889
Est sales N.A. Mon's sales 108,731					
Mon's open int 358,606 off 1705					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Jun 97	110-17	110-01	110-14	-09	247,878
Sep 97	110-04	109-20	110-03	-11	270,292
Dec 97	109-23	109-09	109-23	-12	26,469
Mar 98			109-01		2,040
Est sales N.A. Mon's sales 374,637					
Mon's open int 548,052 off 197					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct					
Jun 97	94.30	94.30	94.30		15,850
Jul 97	94.25	94.23	94.23		11,634
Aug 97	94.19	94.18	94.18		5,695
Est sales N.A. Mon's sales 3,896					
Mon's open int 36,518 up 830					

	High	Low	Latest	Chge	Opint
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Jun 97	101.48	100.85	101.45	+0.68	172,530
Sep 97	100.43	99.82	100.41	+0.68	99,751
Est. sales: 377,482. Prev. sales: 262,617					
Prev. open int.: 272,281 off 4,527					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Jun 97	113-17	112-28	113-14	+0-25	82,244
Sep 97	113-27	112-30	113-23	+0-27	135,706
Est. sales: 125,798. Prev. sales: 49,626					
Prev. open int.: 217,950 off 5,889					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Jun 97	129.40	128.50	129.40	+0.88	173,302
Sep 97	127.80	126.90	127.78	+0.84	44,023
Dec 97	96.42	96.42	97.20	+0.84	0
Est. sales: 236,417. Open int.: 217,325 up 498.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Jun 97	129.85	129.20	129.80	+0.62	66,151
Sep 97	130.90	129.65	130.90	+1.15	52,584
Dec 97	N.T.	N.T.	103.65	+0.57	
Est. sales: 134,082. Prev. sales: 89,922					
Prev. open int.: 118,735 up 7,078					
EURODOLLARS (CMER) $1 million-pts of 100 pct					
Jun 97	94.19	94.18	94.18		408,812
Jul 97	94.13	94.11	94.13	-0.01	15,055
Aug 97	94.07	94.05	94.07	+0.01	7,357
Sep 97	94.02	93.99	94.02	-0.02	477,721
Dec 97	93.80	93.76	93.80	-0.03	377,526
Mar 98	93.68	93.64	93.68	-0.03	279,704
Jun 98	93.56	93.52	93.55	-0.02	235,109
Sep 98	93.47	93.42	93.46	-0.03	181,650
Dec 98	93.35	93.32	93.34	-0.02	125,142
Mar 99	93.34	93.31	93.34	-0.02	99,661
Jun 99	93.29	93.26	93.29	-0.03	80,893
Sep 99	93.25	93.22	93.25	-0.03	67,456
Est sales N.A. Mon's sales 375,541					
Mon's open int 2,736,673 up 48					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Jun 97	1.6372	1.6310	1.6340		36,219
Sep 97	1.6368	1.6304	1.6316		5,195
Dec 97			1.6280		117
Est. sales N.A. Mon's sales 6,831					
Mon's open int 41,531 off 367					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Can dlr					
Jun 97	.7300	.7236	.7280		57,434
Sep 97	.7348	.7288	.7324		10,048
Dec 97	.7376	.7365	.7365		1,650
Est sales N.A. Mon's sales 10,861					
Mon's open int 70,041 off 168					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Jun 97	.5808	.5776	.5794		77,077
Sep 97	.5845	.5815	.5831		12,398
Dec 97	.5882	.5862	.5873		506
Est sales N.A. Mon's sales 58,872					
Mon's open int 90,098 up 9082					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Jun 97	.8662	.8571	.8631		74,290
Sep 97	.8764	.8700	.8749		8,858
Dec 97	.8860	.8856	.8855		883
Est. sales N.A. Mon's sales 17,670					
Mon's open int 84,040 up 478					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Jun 97	.7018	.6958	.6970		40,114
Sep 97	.7074	.7038	.7052		6,319
Dec 97	.7132	.7120	.7120		452
Est. sales N.A. Mon's sales 22,341					
Mon's open int 46,963 off 3408					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Jun 97	.12575	.12555	.12560		16,776
Sep 97	.12100	.12075	.12075		11,566
Dec 97	.11660	.11632	.11632		7,626
Est sales N.A. Mon's sales 4,187					
Mon's open int 38,487 up 905					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Jun 97	93.37	93.35	93.37	+0.02	110,257
Sep 97	93.21	93.14	93.20	+0.05	108,665
Dec 97	93.05	92.98	93.04	+0.05	96,613
Mar 98	92.93	92.86	92.92	+0.06	62,415
Jun 98	92.84	92.76	92.83	+0.07	46,324
Sep 98	92.76	92.69	92.76	+0.07	33,192
Dec 98	92.71	92.65	92.71	+0.07	27,074
Est. sales: 78,065. Prev. sales: 31,754					
Prev. open int.: 536,240 up 2,970					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Jun 97	96.81	96.80	96.81	+0.01	214,775
Jul 97	N.T.	N.T.	96.79	+0.01	1,497
Aug 97	N.T.	N.T.	96.76	+0.01	101
Sep 97	96.75	96.72	96.75	+0.03	213,515
Dec 97	96.64	96.59	96.64	+0.05	238,237
Mar 98	96.53	96.46	96.53	+0.07	217,731
Jun 98	96.36	96.27	96.35	+0.08	153,306
Sep 98	96.15	96.06	96.14	+0.09	130,084
Dec 98	95.89	95.80	95.88	+0.09	84,033
Est. sales: 151,711. Prev. sales: 84,890					
Prev. open int.: 1,473,578 off 195					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jun 97	96.53	96.42	96.52	+0.13	64,583
Sep 97	96.48	96.40	96.47	+0.10	57,113
Dec 97	96.48	96.40	96.47	+0.10	34,387
Mar 98	96.41	96.34	96.40	+0.08	27,799
Jun 98	96.30	96.24	96.30	+0.08	24,424
Sep 98	96.13	96.09	96.13	+0.07	22,161
Dec 98	95.94	95.88	95.93	+0.06	15,515
Mar 99	95.69	95.64	95.69	+0.06	13,630
Jun 99	95.45	95.43	95.46	+0.06	7,053
Est. sales: 120,571 Open int.: 279,828 off 5,849					

	High	Low	Latest	Chge	Opint
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Jun 97	93.22	93.15	93.21	+0.07	93,820
Sep 97	93.45	93.35	93.44	+0.07	103,453
Dec 97	93.66	93.56	93.65	+0.09	55,038
Mar 98	93.80	93.68	93.79	+0.12	37,175
Jun 98	93.88	93.72	93.86	+0.16	26,243
Sep 98	93.91	93.73	93.88	+0.17	9,020
Est. sales: 71,010. Prev. sales: 74,441					
Prev. open int.: 331,352 up 2,849					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Jul 97	73.65	72.90	73.42	+0.06	33,838
Oct 97	75.00	74.55	74.95	+0.10	4,773
Dec 97	75.90	75.29	75.76	+0.03	27,142
Mar 98	76.95	76.65	76.95	+0.05	4,196
May 98			77.60	+0.07	1,112
Est. sales N.A. Mon's sales 18,709					
Mon's open int 73,644 off 449					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jul 97	56.40	54.50	54.85	-1.47	37,674
Aug 97	56.70	55.00	55.35	-1.39	18,208
Sep 97	57.20	55.90	56.15	-1.34	9,491
Oct 97	57.90	56.75	57.00	-1.34	9,214
Nov 97	58.25	57.50	57.70	-1.24	8,562
Dec 97	59.30	58.25	58.45	-1.19	13,409
Jan 98	59.50	58.65	58.65	-1.14	7,669
Feb 98	59.15	58.65	58.70	-0.94	3,856
Mar 98	58.25	57.25	57.50	-0.79	4,840
Est. sales N.A. Mon's sales 14,276					
Mon's open int 122,079 off 1284					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl					
Jul 97	21.02	20.28	20.42	-0.56	99,150
Aug 97	21.12	20.40	20.56	-0.56	54,672
Sep 97	21.05	20.48	20.61	-0.51	33,257
Oct 97	21.02	20.47	20.57	-0.50	19,482
Nov 97	20.98	20.45	20.51	-0.51	18,051
Dec 97	20.92	20.41	20.52	-0.44	34,791
Jan 98	20.65	20.40	20.42	-0.49	17,569
Feb 98	20.43	20.38	20.38	-0.48	7,523
Mar 98	20.60	20.40	20.40	-0.41	4,542
Apr 98	20.50	20.36	20.36	-0.40	4,205
Est. sales N.A. Mon's sales 51,018					
Mon's open int 404,122 up 387					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jul 97	2.135	2.080	2.085		38,396
Aug 97	2.140	2.090	2.115		22,508
Sep 97	2.140	2.090	2.120		18,123
Oct 97	2.155	2.105	2.130		19,725
Nov 97	2.285	2.245	2.275		8,680
Dec 97	2.410	2.380	2.400		12,290
Jan 98	2.460	2.425	2.450		12,547
Feb 98	2.365	2.335	2.360		9,048
Mar 98	2.230	2.200	2.225		6,502
Apr 98	2.095	2.080	2.090		3,321
Est. sales N.A. Mon's sales 48,444					
Mon's open int 196,252 off 1013					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jul 97	62.05	61.15	61.50	-1.49	44,268
Aug 97	61.90	60.25	60.60	-1.37	12,883
Sep 97	61.05	59.60	59.80	-1.27	5,658
Oct 97	59.10	58.00	58.20	-1.12	3,191
Nov 97	58.00	57.30	57.65	-0.97	1,735
Dec 97	58.00	57.20	57.30	-0.92	3,998
Est. sales N.A. Mon's sales 12,238					
Mon's open int 77,861 off 585					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jun 97	173.50	169.75	170.00	-4.00	18,747
Jul 97	175.25	171.50	171.50	-3.75	13,744
Aug 97	176.00	173.50	173.50	-3.50	8,504
Sep 97	178.00	175.75	175.75	-3.25	5,015
Oct 97	180.00	178.00	178.00	-3.00	4,821
Nov 97	181.50	179.75	179.50	-2.75	2,046
Dec 97	182.50	180.25	180.50	-2.50	7,838
Est. sales: 17,495. Open int.: 65,426 up 917					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
July 97	19.48	18.88	18.90	-0.62	58,348
Aug 97	19.59	19.05	19.06	-0.53	44,454
Sep 97	19.69	19.19	19.19	-0.49	12,496
Oct 97	19.72	19.28	19.24	-0.46	8,827
Nov 97	19.72	19.25	19.28	-0.42	6,177
Dec 97	19.68	19.28	19.30	-0.36	11,947
Jan 98	19.48	19.23	19.24	-0.36	8,291
Feb 98	19.38	19.38	19.17	-0.37	4,660
Est. sales: 56,000 Open int: 159,913 off 1,765					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Jun 97	853.30	841.70	848.80	-2.60	163,823
Sep 97	862.00	851.50	858.50	-1.65	30,319
Dec 97	869.20	861.80	868.70	-4.15	3,488
Est sales N.A. Mon's sales 68,468					
Mon's open int 198,857 off 2534					
CAC 40 (MATIF) FF200 per index point					
Jun 97	2617.0	2585.0	2604.0	+33.0	40,527
Jul 97	2607.5	2586.0	2602.0	+32.5	3,674
Sep 97	2624.0	2601.0	2617.0	+34.0	14,958
Est. sales: 21,458. Open int.: 69,593 off 1,844.					
FTSE 100 (LIFFE) £25 per index point					
Jun 97	4571.0	4527.0	4553.0	+3.0	67,837
Sep 97	4595.0	4564.5	4585.0	+2.5	9,929
Dec 97	N.T	N.T	4636.0	-3.0	733
Est. sales: 17,656. Prev. sales: 20,383					
Prev. open int.: 78,499 up 2,755					

Commodity Indexes

	Close	Previous
Moody's	1,606.20	1,597.80
Reuters	2,007.00	2,009.40
D.J. Futures	161.54	160.55
CRB	248.44	248.76

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange

AMEX

Tuesday's 4 P.M. Close
The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

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U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7264.51	7342.20	7253.78	7312.15	+22.75
Trans	2669.44	2690.94	2668.09	2670.45	-1.34
Util	221.00	222.77	220.50	222.33	+1.22
Comp	2267.15	2287.85	2264.63	2277.99	+5.58

Standard & Poors

	Previous High	Low	Close	Today 4 P.M.
Industrials	1003.69	996.74	999.08	995.21
Transp.	617.40	612.20	613.13	617.37
Utilities	193.45	192.11	192.34	192.52
Finance	95.65	94.26	94.46	95.67
SP 500	851.34	844.61	846.36	845.48
SP 100	831.15	824.50	826.94	826.48

NYSE

	High	Low	Last	Chg.
Composite	444.24	438.92	442.36	+0.82
Industrials	563.46	558.18	560.47	-0.09
Transp.	405.39	400.50	404.07	+2.58
Utility	275.51	272.94	274.10	+0.10
Finance	403.10	397.13	401.68	+3.84

Nasdaq

	High	Low	Last	Chg.
Composite	1397.49	1384.75	1384.89	-19.90
Industrials	1137.52	1131.25	1131.87	-6.71
Banks	1491.92	1481.78	1485.12	-1.15
Insurance	1531.53	1524.80	1530.03	+3.53
Finance	1810.58	1797.60	1810.00	+8.08
Transp.	936.27	930.31	933.94	-2.00

AMEX

High	Low	Last	Chg.
609.24	606.42	609.02	+1.85

Dow Jones Bond

	Close	Chg.
20 Bonds	102.53	+0.16
10 Utilities	99.66	+0.20
10 Industrials	105.41	+0.13

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Cabltrn s	256539	31½	29¾	30¼	-15½
Seagate s	97363	39⅝	38	38¾	-3⅜
Iomega	89514	19¾	18⅝	19¼	+½
MicrnT	77884	43½	40⅜	40⅞	-3⅜
BayNtwk	70413	22⅝	21¾	22⅛	-2
Compaq	51857	106	99¾	100	-7⅝
WebEl	50289	20⅝	20	20¼	+⅛
IBM s	48546	86⅜	84½	84⅞	-2⅛
ColHCA s	45669	36½	36⅛	36⅜	-⅛
WasteMInc	43510	33¼	32	32½	+¼
Sears	41636	49¾	48⅝	49¼	+⅝
Gallaher n	39801	18¼	17⅞	18	+¼
WalMart	39711	31⅛	30½	30⅞	+⅜
AT&T s	39395	36⅜	35⅛	35⅜	+¼
PhilMor s	38272	42⅝	41⅝	42¼	-½

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	221727	149	144	145	-4¾
3Com	123451	47¾	45¾	45⅞	-3⅛
Cisco	123236	66⅜	64½	64¾	-3⅛
BostChk	84147	16½	15⅛	15½	-1
Ascend	82160	57⅝	50¾	50⅞	-4⅞
DellCpt s	71990	112⅝	107⅝	108½	-5⅜
Oracle	65680	48⅛	46⅛	46½	-2⅛
Microsft s	51427	123⅜	120⅜	120¾	-3⅜
ApldMat	50585	66⅜	61½	61⅞	-5⅝
WorldCm s	45428	28⅝	28½	28⅝	-⅛
Adaptec s	45146	35⅜	32	33⅛	-2⅛
SunMic s	43441	33¾	32⅛	32½	-1⅛
Informx	43283	10⅝	9⅞	10	-⅝
PeodRI	43118	23⅛	21¼	21⅝	-1⅝
Quantum	42961	39½	37½	38¼	-1⅜

AMEX

	Vol.	High	Low	Last	Chg.
Harken	25682	5⅛	4⅞	4⅞	+⅛
TWA	17349	8½	8⅛	8⅜	-⅛
SPDR	14046	85⅝	84⅝	84⅝	-⅛
Nabors	11680	24¼	23⅝	24¼	+⅜
ViacB	11678	29⅞	29¼	29⅝	+⅛
XCL Ltd	7890	⅝	½	⅝	+1/32
Ampex	5920	7⅛	6⅝	6⅞	+⅜
PrpdLg	5401	22⅛	21	21⅞	+⅝
Amdhl	5006	10⅜	9⅝	10⅛	+⅜
IvaxCp	4922	10⅝	10⅛	10½	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1498	1543
Declined	1026	1002
Unchanged	859	811
Total issues	3383	3356
New Highs	276	285
New Lows	12	7

Nasdaq

	Noon	Prev.
Advanced	1623	2130
Declined	1681	1834
Unchanged	2136	1768
Total issues	5458	5732
New Highs	117	196
New Lows	72	54

AMEX

	Close	Prev.
Advanced	280	319
Declined	261	224
Unchanged	187	176
Total issues	728	719
New Highs	45	42
New Lows	4	5

Market Sales

	Today 4.00	Prev. cons.
NYSE	531.23	520.30
Amex	22.97	26.53
Nasdaq	552.73	555.72

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Austri New ZealBk	b	.8415	6-12	7-17
Espirit SantoF	b	.60	6-10	6-16
Natl Power ADR	b	1.5658	6-6	8-6
STOCK SPLIT				
Caribiner Intl 2 for 1 split.				
Lancer Corp 3 for 2 split.				
INITIAL				
BCE Inc n	g	.34	6-13	7-15
REGULAR				
ASR Invest	Q	.50	6-16	6-30
Airlease Ltd	Q	.45	6-30	8-15
Bk Utd Corp	Q	.14	6-13	16-25
Capitol Transamer	Q	.07	6-13	6-27
Cohen SteerTotRet	M	.08	6-16	6-30
Dreyfus CA Muni	M	.05	6-13	6-30
Emerging Mkt	M	.1325	6-17	6-30
Emerging MktInco	M	.4125	6-17	6-30
Emerging Mktsll,	M	.4125	6-17	5-30
Essex CountyGas	Q	.41	6-13	7-1
Essex Prop	Q	.435	6-30	7-15
Fidel Fdl Bncp	Q	.10	6-2	7-7
Glbl Ptnrslnco	M	.11875	6-17	6-30
Host Funding	Q	.24	6-6	6-23
Lowes Cos	Q	.055	7-17	7-31
Mark IV Ind	Q	.04	6-13	7-15
Mass HlthEdTxEx	M	.062	6-13	6-30
Sal Bros Hilnco	M	.125	6-17	6-30
Sal Bros WWInco	M	.11875	6-17	6-30
Seaboard Corp	Q	.25	6-20	6-30
Stanhome Inc	Q	.28	6-16	7-1
StrawbrdgeCloth	Q	.128	6-12	6-20
Unocal Corp	Q	.20	7-10	8-8
Werner Enterpr	Q	.025	7-7	7-22

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

هكذا من الأصل

EUROPE

Tech Shares Slip

Fails to Fire

U.S. STOCK MARKETS

1,000 Jobs To Go as Racal Net Plummets

Bloomberg News

LONDON — Racal Electronics PLC said Tuesday it would cut 1,000 jobs, about 7 percent of its work force, and consider selling businesses or merging them with rivals as it reported that second-half earnings fell by more than half.

The defense and telecommunications company warned of the decline in April and said the trend would continue in the first half of the current business year, which began April 1. It attributed the lower profit to falling military radio sales and the cost of revamping its data-products unit, which sells computer network systems.

Racal softened the blow with a pledge to hire advisers to recommend ways of reshaping the company. Sir Ernest Harrison, 71, the chairman, who has a history of selling or spinning off businesses in his 31 years at the helm, promised a reorganization that would benefit shareholders before he retired.

Pretax profit fell to £19.2 million ($31.4 million) in the six months ended March 31, compared with £40.3 million a year earlier. The weakest spot was the data-products unit, Racal's biggest in terms of sales. It was the centerpiece of Racal's plan to wean itself from risky military contracts in favor of fast-growing markets for products that are used to link corporate computers to each other and the Internet.

■ De La Rue's Profit Falls

De La Rue PLC's shares dropped 13 percent to close at 421.5 pence after the British banknote and security printing company said that second-half net profit fell 44 percent and that business would stay weak, Bloomberg News reported. Second-half net profit for the year ended March 31 fell to £34.4 million as margins eroded at its banknote business.

Enron and ENEL Plan Italian Power Venture

Compiled by Our Staff From Dispatches

ROME — ENEL SpA, Italy's state-owned electricity utility, and the Houston-based utility Enron Corp. said Tuesday they would form a 5 trillion lire ($2.94 billion) power-generating venture to take advantage of openings in Europe's electricity market.

Under a preliminary agreement, ENEL will contribute the power plants, and Enron will pay to upgrade and expand the plants. The new company will be capable of generating as much as 5,000 megawatts of power, ENEL executives said.

Enron's move represents the latest move by U.S. utilities to secure positions as Europe's electricity market is deregulated. Last month, Southern Co. said it would buy a stake in Bewag AG, Berlin's power utility. In recent years, U.S. utilities have bought seven British electricity distributors.

With the exception of Britain, where big energy consumers can choose suppliers, and where homeowners will soon get the same opportunity, Europe's major countries are still dominated by a few large electricity monopolies.

But that has started to change. All 15 member nations of the European Union agreed last year to a timetable for competition, although it allows individual countries to drag their feet, analysts say.

"This is an indication that Italy will be playing the game of liberalization," said Andrew Stone, an analyst at Daiwa Europe.

Mr. Stone said the agreement would allow ENEL to modernize its power plants and offset its probable loss of market share when it was forced to compete with others as the Italian market opened up.

The EU directive says that by Jan. 1, 1999, large industrial companies that use more than 40 gigawatts of power an hour should be free to chose their suppliers. Such users account for about 22 percent of the market. A year later, the market above 20 gigawatts per hour is to be opened, expanding the market segment open for competition to 27 percent. By 2003, the threshold drops to nine gigawatts per hour, taking in 33 percent of the market.

In Italy, power stations cost about 1 billion lire for each megawatt of generation capacity. The agreement is the latest joint venture spearheaded by ENEL's chairman, Franco Tato, who vowed when he joined the company last June to find international partners in telecommunications and power generation.

"Tato is trying to privatize parts of the company without going directly to the market, which in this political climate would be impossible," said Antonello Di Mascio, an equity analyst at Nusa Sim in Rome. "These accords are moves to liberalize the market in gradual bits."

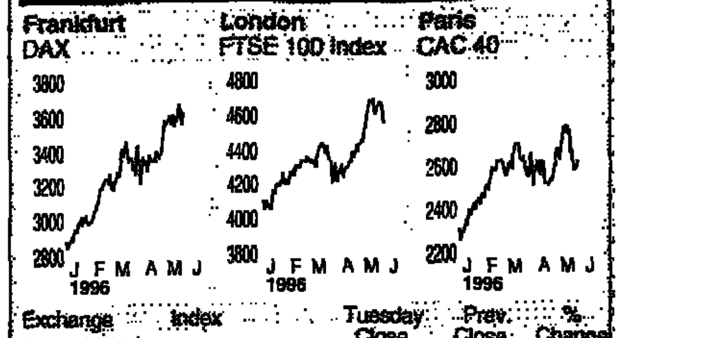
In recent weeks, ENEL announced plans to form a similar power-generation company with ENI SpA, the state energy company, that also will produce 5,000 megawatts of energy — enough to supply the needs of about 5 million people — and is to be listed on the New York Stock Exchange. The ENEL accord will give Enron another base for its European retail electricity business. The company is already active in Britain, where it has built power plants and trades electricity.

ENEL, which stands for Ente Nazionale per l'Energia Elettrica, is the largest utility in Western Europe after Electricite de France, with a capacity of about 60,000 megawatts of electricity. Although that accounts for more than 80 percent of Italy's power, the country still imports electricity. ENEL, which recently announced a record profit of 1.27 trillion lire for 1996, was due to be privatized by the end of the year, but the flotation has been postponed, and no new timetable has been set.

Some utility analysts say the company should be split into its production, distribution and transmission activities, but unions are fighting to keep it in one piece.

(Bloomberg, Reuters)

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	811.99	807.48	+0.56
Brussels	BEL-20	2,280.77	2,269.31	+0.50
Frankfurt	DAX	3,625.74	3,605.62	+0.56
Copenhagen	Stock Market	577.13	575.17	+0.34
Helsinki	HEX General	3,085.22	3,081.52	+0.12
Oslo	OBX	643.37	641.20	+0.34
London	FTSE 100	4,557.80	4,562.80	-0.11
Madrid	Stock Exchange	556.67	547.02	+1.76
Milan	MIBTEL	12238	12159	+0.65
Paris	CAC 40	2,624.49	2,601.45	+0.89
Stockholm	SX 16	3,062.55	3,043.40	+0.63
Vienna	ATX	1,298.82	1,300.35	-0.12
Zurich	SPI	3,291.37	3,258.83	+1.00

Source: Telekurs — International Herald Tribune

French Union Is Open to Telecom Share Sale

Compiled by Our Staff From Dispatches

PARIS — As France Telecom awaits the new government's decision on privatization, a pro-Socialist union official said Tuesday that the sale of shares in the phone monopoly would not be "incompatible" with its role as a public-service operator.

Speaking on a French radio program, Nicole Notat, general secretary of the pro-Socialist CFDT union said: "What is at stake is giving guarantees of being a performing company on a French, European and international scale, and at the same time to guarantee its mission of public service."

"The opening of capital, which is not to say 100 percent privatization, because the state will still be there, does not appear to me to be incompatible — on condition the state wishes it so and watches over it — with true missions of quality of public service," she said.

The pro-Communist CGT union on Monday had called for a halt to the sale of shares in France Telecom.

On Tuesday, Chairman Michel Bon said in a message to staff that the privatization of France Telecom officially had "been suspended."

"If the privatization were to begin on June 5 as planned, we needed the green light from the government Monday," Mr. Bon said. "We obviously did not receive the green light, following the change of majority." He was alluding to the Socialist victory in recent elections.

Meanwhile, Compagnie Generale des Eaux's subsidiary Cegetel said Tuesday it would invest 5 billion francs ($860 million) over the next three years to extend networks and mount a challenge to France Telecom in its bid to secure 20 percent of the French domestic market.

Phillipe Germond, managing director, said Cegetel had 7 billion francs in cash and could lean on its strong parent groups. Generale des Eaux has a total 44 percent stake in Cegetel, British Telecommunications PLC has a 26 percent stake, SBC Communications Corp. has an indirect 15 percent and Mannesmann AG a direct 15 percent.

Mr. Germond said he expected Cegetel to be the only rival to France Telecom in January 1998.

Bouygues Telecom, meanwhile, with its allies VEBA AG of Germany and STET of Italy and possibly Lyonnaise des Eaux, is expected to become France's third telecommunications operator, but the timing of the plans is not set. *(AFX, Reuters)*

Very briefly:

- **Anglo American Corp. of South Africa**'s net profit for the year ended March 31 rose 62 percent, to 7.11 billion rand ($1.59 billion). The company, which posted 2.1 billion rand in one-time gains from asset sales, said record diamond sales at its De Beers associate and growth in mining, finance and coal had bolstered its earnings.
- **Carlsberg AS**, Denmark's largest brewer, said first-half pretax profit rose 17 percent, to 870 million kroner ($132.2 million), as investment income rose 60 percent, to 338 million kroner. Operating profit rose to 532 million kroner from 530 million kroner; sales rose 8 percent, to 9.21 billion kroner.
- **French** producer prices rose 0.3 percent in April from March and fell 1.4 percent from a year earlier, evidence that companies were unable to raise prices amid weak demand.
- **Germany**'s Cartel Office fined 14 electric-cable makers, including **Siemens AG**, two **Alcatel Alsthom SA** units and a subsidiary of **ABB Asea Brown Boveri Ltd.**, a total of 265 million Deutsche marks ($153.9 million) for fixing prices.
- **Eastman Kodak Co.** and **Heidelberger Druckmaschinen** AG of Germany plan to jointly develop ways to speed the transfer of information from the computer screen to the printing press. Terms were not disclosed.
- **The European Union**'s competition commissioner, Karel Van Miert, said **Lyonnaise des Eaux SA**'s acquisition of **Compagnie de Suez SA** could proceed after Lyonnaise agreed to sell its Belgian waste-management businesses.
- **Vodafone Group PLC**, a British cellular-phone service provider, said second-half pretax profit rose 7.5 percent, to £287 million, as its customer base rose to about 4 million from 3 million a year ago.
- **National Grid Group PLC**, which runs Britain's electricity network, said pretax profit rose 12 percent, to £591.4 million, in the year that ended March 31, as it cut costs and reduced losses in its telecommunications unit. *Bloomberg, Reuters*

Amstrad Climbs on Payout Plan for Investors

Bloomberg News

LONDON — Shares of Amstrad PLC rose after the maker of consumer electronics and computers said it would fold itself into Viglen, its personal-computer unit, and return at least £200 million ($327 million) to shareholders.

For each Amstrad share, shareholders will get one Viglen Technology share; a pro-rata share of Amstrad's 69.7 percent stake in Betacom PLC, a consumer electronics company; 163 pence of loan notes exchangeable for cash, and a share of the proceeds from lawsuits against two disk-drive makers, Seagate Technology Inc. and Western Digital Corp.

The proposal is the latest move by the Amstrad chairman, Alan Sugar, to refocus the company on its core business.

Amstrad, which was first to bring low-cost personal computers to British consumers in the 1980s, got into trouble by diversifying into a range of other electronics businesses, and investor confidence returned only when the company started downsizing this year. "It makes sense," said Michael Styles, an analyst at Credit Lyonnais Laing. "There may be a little more to go on the share price — it depends on what you think Viglen is worth."

Amstrad shares rose 13.5 pence in late trading Tuesday to 277. The stock price has surged 90 percent since the beginning of the year.

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	166.23	+0.17	+0.10	+11.46
Regional Indexes				
Asia/Pacific	124.81	-0.30	-0.24	+1.12
Europe	172.75	+0.99	+0.58	+7.17
N. America	192.90	-0.02	-0.01	+19.14
S. America	156.81	-1.66	-1.05	+37.04
Industrial Indexes				
Capital goods	202.20	-1.54	-0.76	+18.30
Consumer goods	186.80	+1.07	+0.58	+15.72
Energy	197.28	+0.24	+0.12	+15.56
Finance	123.81	+0.02	+0.02	+6.31
Miscellaneous	169.23	-0.15	-0.09	+4.61
Raw Materials	181.70	-0.08	-0.04	+3.60
Service	157.87	+0.13	+0.08	+14.97
Utilities	143.61	+0.69	+0.48	+0.10

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Tuesday, June 3
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 811.99 Previous: 807.48

	High	Low	Close	Prev.
ABN-AMRO	36.60	35.70	36.30	36.40
Aegon	146.90	143.60	145.50	145
Ahold	149	146.50	147.30	148.30
Akzo Nobel	256.50	254.80	255.70	254.70
Baan Co.	118.50	115.80	118	116.70
Bols Wess cva	36.70	36.40	36.60	36.70
CSM cva	100.80	98.30	99.80	98.60
Dordtsche Pet	392	387.50	389.50	387.50
DSM	192.40	190.30	190.70	192.10
Elsevier	33.10	32.70	32.80	32.90
Fortis Amev	82	80.60	81.50	81.70
Getronics	66.10	64.90	65.50	65.10
G-Brocades cva	65.40	63.50	65.40	63.60
Hagemeyer	95	93.30	94	94
Heineken	329.40	325	328.50	326.30
Hoogovens cva	98.90	96.90	98.90	97.20
Hunt Douglas	171.50	168.50	169	170.50
ING Group	87.70	85.90	87.60	87.10
KLM	56.20	55.40	56	56
KNP BT	40.50	40.10	40.40	40.30
KPN	70.70	69	70.70	68.70
Nedlloyd Gp	47.30	47	47.20	47.30
Nutricia	304	301.80	302.50	301.50
Oce Grinten	257	250	256	252
Philips Elec	113.70	110.80	113.70	110
Polygram	93.60	92	92.20	92.90
Randstad Hdg	198.50	197	198	197
Robeco	176.30	175	175	174.70
Rodamco	61.20	60.70	61.10	61.10
Rolinco	181.10	181	181	178.50
Rorento	111.40	111.40	111.40	110.80
Royal Dutch	379.80	375.30	377.50	377.80
Unilever cva	379.20	376.50	378	377.20
Vendex Intl	112	108.80	112	108.80
VNU	44	43.50	43.70	43.90
Wolters Kl cva	234.20	232.20	233.60	233.60

Bangkok
SET index: 516.57 Previous: 543.36

	High	Low	Close	Prev.
Adv Info Svc	177	172	172	175
Bangkok Bk F	220	212	212	216
Krung Thai Bk	28.75	28	28.50	28.50
PTT Explor	320	314	316	322
Siam Cement F	532	520	524	518
Siam Com Bk F	131	128	128	131
Telecomasia	29.75	29	29	29
Thai Airways	39	37.50	37.50	38.75
Thai Farm Bk F	128	124	125	124
Utd Comm	112	109	110	112

Bombay
Sensex 30 index: 3828.85 Previous: 3756.10

	High	Low	Close	Prev.
Bajaj Auto	905	880.25	884	862
Hindust Lever	1225	1142.50	1212.50	1114.75
Hindust Petm	431.50	427.25	428.75	426
Ind Dev Bk	93	92	92	91.75
ITC	492.25	472	477.50	436.50
Mahanagar Tel	291.50	285.50	287	285.50
Reliance Ind	310	302.50	303.75	303.75
State Bk India	322.75	316	319.25	306.75
Steel Authority	18.75	18.25	18.50	18
Tata Eng Loco	408	399	402.50	395

Brussels
BEL-20 index: 2280.77 Previous: 2269.31

	High	Low	Close	Prev.
Almanij	16100	16000	16075	16000
Barco Ind	6330	6290	6310	6300
BBL	9900	9730	9820	9720
CBR	3320	3265	3275	3300
Colruyt	14600	14200	14350	14350
Delhaize Lion	1830	1795	1820	1805
Electrabel	7850	7770	7840	7850
Electrafina	3580	3540	3570	3570
Fortis AG	6960	6810	6860	6890
Gevaert	3150	3080	3105	3100
GBL	5790	5680	5750	5730
Gen Banque	14125	14000	14075	13975
Kredietbank	15150	14700	14900	14600
Petrofina	12475	12400	12450	12400
Powerfin	5000	4970	4990	4990
Royale Belge	10200	10100	10150	10180
Soc Gen Belg	3320	3280	3305	3280
Solvay	21750	21500	21425	21500
Tractebel	15575	15475	15575	15575
UCB	97000	96150	96450	96400

Copenhagen
Stock index: 577.13 Previous: 575.17

	High	Low	Close	Prev.
BG Bank	307	302	306	303
Carlsberg B	399	388	388	395
Codan Fors	885	880	880	891.89
Danisco	392	386	392	387
Den Danske Bk	628	619	625	628
D/S Svendborg B	340340	337462	337462	340000
D/S 1912 B	240000	234765	234765	235008
FLS Ind B	1050	1030	1030	1040
Kob Lufthavne	703	695	700	695.38
Novo Nordisk B	703	695	700	697
Sophus Ber B	995	972	981.23	980
Tele Danmk B	323.48	320	321	321
Tryg Baltica	364	354	360	365
Unidanmark A	347	342	346	342

Frankfurt
DAX: 3625.74 Previous: 3605.62

	High	Low	Close	Prev.
AMB B	1435	1405	1405	1439
Adidas	187.30	185.10	186.70	182.35
Allianz Hdg	367	363.80	364.50	365.50
Altana	1555	1540	1547	1545
Bk Berlin	39	38.50	39	39
BASF	64.75	64.20	64.60	64.70
Bayer Hypo Bk	54.42	53.80	53.95	54.30
Bay. Vereinsbank	72.28	71.80	71.95	71.98
Bayer	68.30	67.70	68.20	67.25
Beiersdorf	93.80	93.10	93.40	93.92
Bewag	42.90	41	41	40.50
BMW	1407	1400	1406	1406
CKAG Colonia	144.50	143.50	143.90	144
Commerzbank	49.75	48.15	49.80	48.80
Daimler Benz	134.10	133.40	133.70	132.80
Degussa	85.50	83.60	84.80	83.95
Deutsche Bank	96.80	96.10	96.38	96.50
Deut Telekom	38.80	38.25	38.35	38.66
Dresdner Bank	62.10	61.65	61.65	61.25
Fresenius	355	354	352	351.50
Fresenius Med	148.90	146	148.40	148
Fried. Krupp	321	318	320	312.50
Gehe	125.50	124.50	125	124.80
Heidelbg Zmt	164	160	161	161
Henkel pfd	97.25	96.75	97	96.90
HEW	485	482	482	485
Hochtief	73.80	72.50	73.80	74.70
Hoechst	68.55	67.90	68.34	67.90
Karstadt	608	606	607	608
Lahmeyer	75.75	75	75.50	74
Linde	1225	1216	1216	1230
Lufthansa	28.50	28.28	28.35	27.90
MAN	508	504.80	508	496
Mannesmann	725.50	722	723.80	707
Metallgesellschaft	36.45	36.35	36.44	36.35
Metro	188	187	187.55	185.70
Munich Rueck R	4475	4425	4475	4450
Preussag	464	460	462.50	459.50
RWE	75.50	74.70	75.50	74.60
SAP pfd	319.10	317.20	318	311.40
Schering	179.70	175.50	179.20	176.90
SGL Carbon	262	257.50	258.50	251
Siemens	98.13	97.80	98.03	97.45
Springer (Axel)	1510	1510	1510	1510
Suedzucker	900	890	900	895
Thyssen	402	399	400.50	391
Veba	97.50	97.21	97.35	96.95
VEW	520	518	520	519
Viag	777	773	775	775
Volkswagen	1147.50	1138	1146	1129

Helsinki
HEX General index: 3085.22 Previous: 3081.62

	High	Low	Close	Prev.
Enso A	47	46.50	46.50	47
Huhtamaki I	224	222	223	224
Kemira	51.50	51.50	51.50	51.70
Kesko	77	74.50	77	74.90
Merita A	17.70	17.50	17.50	17.80
Metra B	149	147	147.90	148.30
Metsa-Serla B	41.50	41.50	41.50	41.80
Neste	136.50	135	136.50	135
Nokia A	348	345	346	345.50
Orion-Yhtymae	213	209.50	211	209
Outokumpu A	104	102.50	103.50	104
UPM-Kymmene	120	119	119.40	120.30
Valmet	94	93.30	94	93.50

Hong Kong
Hang Seng: 14760.17 Previous: 14990.90

	High	Low	Close	Prev.
Amoy Props	9.05	8.70	8.80	8.90
Bk East Asia	28.30	28.05	28.15	28.30
Cathay Pacific	11.85	11.60	11.65	11.65
Cheung Kong	80.75	76.50	78	80.25
CK Infrastruct	25.05	24.40	24.40	25
China Light	42.80	41.50	42.80	41.60
Citic Pacific	48.30	46	47.30	45.90
Dao Heng Bk	42.40	41.50	42	42.50
First Pacific	10.55	9.95	10.40	9.95
Hang Lung Dev	15.30	14.75	14.90	15.10
Hang Seng Bk	93	91.50	91.50	93.25
Henderson Inv	9.20	8.85	8.95	9.20
Henderson Ld	76.75	73.25	74.25	76.75
HK China Gas	14.05	13.70	13.85	13.90
HK Electric	29.60	28.70	29.05	28.80
HK Telecomm	17.75	17.30	17.45	17.75
Hopewell Hdgs	4.28	4.08	4.15	4.25
HSBC Hdgs	231	224	227	233
Hutchison Wh	66.25	64	64.25	65.25
Hysan Dev	26	25.10	25.30	25.95
Johnson El Hdg	22.90	22.70	22.90	22.85
Kerry Props	19.90	19.60	19.70	19.95
New World Dev	50.50	48.80	49.60	49.90
Oriental Press	2.78	2.70	2.70	2.75
Pearl Oriental	2.78	2.63	2.70	2.70
SHK Props	98.75	94	95.75	97.75
Shun Tak Hdgs	5.30	5.15	5.25	5.25
Sino Land Co.	9.25	8.70	8.90	9.25
Sth China Post	7.40	7.15	7.15	7.45
Swire Pac A	70	66.50	68.75	69.75
Wharf Hdgs	36.70	35.40	36	36.40
Wheelock	19.70	18.80	19.05	19.70

Jakarta
Composite index: 698.40 Previous: 699.73

	High	Low	Close	Prev.
Astra Intl	7250	6750	7050	6700
Bk Intl Indon	1975	1900	1950	2000
Bk Negara	1650	1575	1600	1650
Gudang Garm	10750	10425	10575	10700
Indocement	3000	2975	3000	3050
Indofood	5500	5400	5500	5500
Indosat	7225	7125	7225	7150
Sampoerna HM	10850	9850	9900	9800
Semen Gresik	5750	5600	5625	5700
Telekomunikasi	4100	4050	4100	4075

Johannesburg
All Market: 7112.84 Previous: 7061.28

	High	Low	Close	Prev.
Amalgamated Bks	28.50	27.75	28	28
AngloAm Coal	292	291	291.25	289.50
AngloAm-Corp	268.25	265	268.25	263
AngloAm Gold	304	303	303	304
AngloAm Ind	189	187.50	188.50	186.50
AVMIN	16.10	15.95	16	15.95
Barlow	49.50	48	48.50	47.95
C.G. Smith	25.10	24.90	25	24.75
De Beers	160	158.50	160	157.50
Driefontein	37.40	37	37	37.40
Fst Natl Bk	35.15	34.90	35	35.10
Gencor	20	19.90	20	19.95
GFSA	114	113	114	114
Imperial Hdgs	57	54.90	56.75	56.25
Ingwe Coal	30.50	30.25	30.25	30.15
Iscor	3.20	3.10	3.30	3.13
Johnnies Indl	56.50	55.50	56.50	55.25
Liberty Hdgs	249.50	248	249	246
Liberty Life	126	125	125.25	125.25
LibLife Strat	17.25	16.85	17.25	16.75
Minorco	104.50	103	104	103
Nampak	18.20	18	18.05	18.10
Nedcor	87.75	87.25	87.50	87.25
Rembrandt Gp	46.20	45.85	46	45.95
Richemont	61.75	60.75	60.75	60.75
Rust Platinum	72.50	71.25	72.50	71.25
SA Breweries	128.25	127	127.75	126.25
Samancor	49	48.75	49	48.50
Sasol	55.75	55	55.50	55.25
SBIC	210.50	207	210	205
Tiger Oats	76.50	76	76.50	76

Kuala Lumpur
Composite: 1126.82 Previous: 1117.97

	High	Low	Close	Prev.
AMMB Hdgs	16.30	16	16.10	16.10
Genting	13.50	13.10	13.20	13
Mal Banking	27.50	26.75	27.50	26.75
Mal Intl Ship F	6.10	5.95	6	5.90
Petronas Gas	9.55	9.35	9.40	9.40
Proton	13.60	12.90	12.90	13.40
Public Bk	4.10	3.94	4.10	3.94
Renong	3.84	3.68	3.78	3.86
Resorts World	8.50	8.15	8.50	8.15
Rothmans PM	27.50	27	27.25	27.25
Sime Darby	8.75	8.25	8.25	8.35
Telekom Mal	13.10	12.50	12.60	12.60
Tenaga	12.10	11.80	12	11.90
Utd Engineers	21	20.50	20.90	20.50
YTL	9.15	8.90	9.10	8.90

London
FT-SE 100: 4557.80 Previous: 4562.80

	High	Low	Close	Prev.
Abbey Natl	8.62	8.26	8.40	8.62
Allied Domecq	4.40	4.36	4.35	4.32
Anglian Water	6.80	6.70	6.77	6.80
Argos	6.18	6.12	6.13	6.13
Asda Group	1.22	1.19	1.20	1.20
Assoc Br Foods	5.52	5.29	5.36	5.32
BAA	5.35	5.23	5.30	4.87
Barclays	11.67	11.20	11.67	11.30
Bass	7.76	7.62	7.75	7.68
BAT Ind	5.47	5.36	5.39	5.44
Bank Scotland	3.81	3.57	3.65	3.78
Blue Circle	4.10	4.05	4.08	4.15
BOC Group	10.26	10.09	10.17	10.27
Boots	7.05	6.88	7.04	6.36
BPB Ind	3.36	3.27	3.33	3.39
Brit Aerosp	12.27	12.13	12.20	12.28
Brit Airways	7	6.84	6.97	6.93
BG	2.19	2.05	2.15	2.06
Brit Land	5.98	5.90	5.96	5.99
Brit Petm	7.34	7.07	7.32	7.26
BSkyB	5.80	5.58	5.64	5.67
Brit Steel	1.54	1.51	1.51	1.53
Brit Telecom	4.42	4.11	4.39	4.38
BTR	1.98	1.95	1.99	1.98
Burmah Castrol	10.45	10.28	10.31	10.43
Burton Gp	1.34	1.31	1.32	1.32
Cable Wireless	5.03	4.90	4.94	5.10
Cadbury Schw	5.42	5.20	5.28	5.41
Carlton Comm	5.27	5.18	5.22	5.25
Coml Union	6.75	6.65	6.71	6.71
Compass Gp	6.77	6.70	6.71	6.77
Courtaulds	3.35	3.23	3.34	3.28
Dixons	4.93	4.64	4.80	4.66
Electrocomponents	4	3.96	3.96	3.98
EMI Group	11.65	11.42	11.61	11.45
Energy Group	5.46	5.36	5.42	5.42
Enterprise Oil	6.84	6.75	6.84	6.77
Fam Colonial	1.62	1.61	1.61	1.63
Genl Accident	8.89	8.65	8.89	8.75
GEC	3.43	3.35	3.36	3.45
GKN	10.65	10.43	10.48	10.63
Glaxo Wellcome	12.13	11.98	12.04	12.20
Granada Gp	8.70	8.55	8.62	8.65
Grand Met	5.75	5.65	5.73	5.68
GRE	2.81	2.72	2.73	2.77
Greenalls Gp	4.65	4.53	4.64	4.54
Guinness	5.77	5.66	5.71	5.69
GUS	6.44	6.26	6.37	6.44
Hays	5.88	5.50	5.52	5.59
HSBC Hdgs	17.84	17.57	17.77	18.02
ICI	8.17	8.01	8.17	8.12
Impl Tobacco	3.77	3.65	3.71	3.73
Kingfisher	7.18	7.06	7.16	6.89
Ladbroke	2.45	2.38	2.44	2.39
Land Sec	9.02	8.83	8.83	9
Lasmo	2.45	2.40	2.42	2.44
Legal Genl Grp	4.37	4.21	4.37	4.15
Lloyds TSB Gp	5.94	5.73	5.82	5.83
LucasVarity	1.85	1.79	1.83	1.88
Marks Spencer	5.09	4.97	5.04	5.04
MEPC	5.17	5.08	5.17	5.16
Mercury Asset	13.97	13.44	13.59	13.48
National Grid	2.33	2.22	2.23	2.25
Natl Power	5.42	5	5.06	5.13
NatWest	7.32	7.08	7.24	7.26
Next	7.31	7.07	7.10	7.35
Orange	2.09	2.04	2.07	2.05
P&O	6.51	6.36	6.49	6.41
Pearson	7.10	7	7.02	7.15
Pilkington	1.24	1.17	1.21	1.20
PowerGen	6.85	6.50	6.57	6.62
Premier Farnell	4.66	4.55	4.61	4.72
Prudential	6.13	5.90	6.10	6.01
Railtrack Gp	6.43	6.38	6.42	6.36
Rank Group	4.34	4.25	4.29	4.30
Reckitt Colm	8.55	8.32	8.43	8.54
Redland	3.28	3.20	3.24	3.23
Reed Intl	6.02	5.92	5.99	6.01
Rentokil Initial	2.34	2.28	2.29	2.33
Reuters Hdgs	6.95	6.72	6.75	6.80
Rexam	2.83	2.73	2.73	2.84
RMC Group	9.13	9.05	9.11	9.13
Rolls Royce	2.45	2.36	2.39	2.41
Royal Bk Scot	5.85	5.71	5.81	5.72
RTZ reg	10.44	10.28	10.29	10.42
Royal & Sun All	4.66	4.55	4.64	4.80
Safeway	3.56	3.45	3.48	3.55
Sainsbury	3.53	3.46	3.50	3.47
Schroders	17.85	16.85	16.95	17.14
Scot Newcastle	6.98	6.90	6.91	6.97
Scot Power	3.73	3.66	3.67	3.75
Securicor	2.88	2.84	2.84	2.88
Severn Trent	7.89	7.78	7.81	7.82
Shell Transp R	11.97	11.80	11.95	11.94
Siebe	9.68	9.47	9.50	9.60
Smith Nephew	1.75	1.72	1.74	1.74
SmithKline	10.72	10.64	10.64	10.67
Smiths Ind	7.65	7.60	7.64	7.65
Sthern Elec	4.05	3.97	3.97	4.02
Stagecoach	6.80	6.70	6.75	6.73
Stand Charter	9.56	9.28	9.40	9.50
Tate & Lyle	4.52	4.48	4.48	4.51
Tesco	3.72	3.59	3.62	3.72
Thames Water	6.95	6.83	6.87	6.85
3i Group	5.03	4.98	5	5
TI Group	5.67	5.56	5.60	5.67
Tomkins	2.68	2.62	2.63	2.64
Unilever	16.29	16.05	16.05	16.26
Utd Assurance	4.80	4.67	4.75	4.84
Utd News	7.75	7.65	7.72	7.67
Utd Utilities	6.98	6.82	6.95	6.89
Vendome Lx uts	4.59	4.43	4.47	4.45
Vodafone	2.73	2.65	2.72	2.71
Whitbread	7.89	7.80	7.82	7.97
Williams Hdgs	3.14	3.12	3.14	3.12
Wolseley	4.70	4.63	4.65	4.65
WPP Group	2.51	2.43	2.48	2.44
Zeneca	18.36	18.03	18.16	18.35

Madrid
Bolsa index: 556.67 Previous: 547.02

	High	Low	Close	Prev.
Acerinox	25500	24400	25500	24390
ACESA	1825	1790	1800	1785
Aguas Barcelon	5900	5800	5830	5780
Argentaria	7540	7330	7500	7260
BBV	10550	10360	10540	10300
Banesto	1525	1490	1495	1490
Bankinter	24300	23730	24300	23600
Bco Centro Hisp	4690	4610	4675	4630
Bco Popular	31480	30790	31450	30590
Bco Santander	12880	12480	12850	12280
CEPSA	5170	5000	5100	5040
Continente	2800	2710	2710	2750
Corp Mapfre	7750	7510	7580	7550
Endesa	11360	11030	11290	11090
FECSA	1300	1250	1295	1250
Gas Natural	29200	28630	28900	28630
Iberdrola	1760	1715	1740	1725
Pryca	2785	2680	2700	2900
Repsol	6250	6120	6190	6150
Sevillana Elec	1405	1375	1395	1385
Tabacalera	7480	7350	7400	7370
Telefonica	4215	4155	4215	4170
Union Fenosa	1290	1270	1285	1270
Valenc Cement	2070	2045	2060	2070

Manila
PSE index: 2842.78 Previous: 2820.72

	High	Low	Close	Prev.
Ayala B	19.75	19.50	19.75	20
Ayala Land	21.25	20.75	21	21
Bk Philip Isl	163	158	158	163
C&P Homes	10.25	9.90	10	10
Manila Elec A	92.50	92	92.50	92
Metro Bank	590	575	575	590
Petron	7.30	7.10	7.30	7.20
PCIBank	265	260	262.50	265
Phil Long Dist	805	795	795	805
San Miguel B	79.50	78	78.50	78.50
SM Prime Hdg	7.70	7.50	7.70	7.70

Mexico
Bolsa index: 4052.59 Previous: 4002.82

	High	Low	Close	Prev.
Alfa A	48.20	47.50	48.10	47.40
Banacci B	18.08	17.64	18.00	17.60
Cemex CPO	30.30	29.70	30.15	29.65
Cifra C	12.98	12.66	12.72	12.50
Emp Moderna	39.50	39.35	39.45	39.35
Gpo Carso A1	47.25	46.50	46.80	46.35
Gpo F Bomer	1.76	1.71	1.73	1.70
Gpo Fin Inburso	27.90	27.40	27.80	27.40
Kimb Clark Mex	28.00	26.75	27.90	26.90
Televisa CPO	119.50	116.20	117.20	116.20
TelMex L	18.04	17.66	18.00	17.74

Milan
MIB Telematico: 12238.00 Previous: 12158.00

	High	Low	Close	Prev.
Alleanza Assic	11000	10790	10905	10880
Bca Comm Ital	3360	3285	3305	3300
Bca Fideuram	4450	4320	4450	4380
Bca di Roma	1225	1195	1204	1205
Benetton	23850	23350	23750	23500
Credito Italiano	2555	2520	2555	2545
Edison	8040	7865	7920	8000
ENI	8710	8550	8650	8595
Fiat	5725	5630	5710	5650
Generali Assic	29350	28900	28950	29200
IMI	14950	14770	14820	14940
INA	2390	2360	2380	2355
Italgas	5310	5260	5295	5280
Mediaset	7410	7280	7290	7345
Mediobanca	9850	9750	9780	9730
Montedison	1069	1051	1057	1058
Olivetti	497.50	483	483	490.50
Parmalat	2455	2390	2445	2435
Pirelli	3840	3775	3825	3770
RAS	13340	13100	13170	13010
Rolo Banca	17880	17100	17750	17020
S Paolo Torino	11015	10640	10955	10630
Stet	8620	8520	8600	8520
Telecom Italia	4680	4610	4655	4625
TIM	5125	5010	5105	5000

Montreal
Industrials index: 3259.46 Previous: 3255.21

	High	Low	Close	Prev.
Bce Mob Com	43¼	43	43¼	43¼
Cdn Tire A	26.20	26.20	26.30	26.20
Cdn Util A	35.40	35.25	35.25	35.70
CT Finl Svc	36.90	36.90	36.90	35.90
Gaz Metro	17.65	17½	17.60	17¾
Gt-West Lifeco	28¾	28½	28¾	28.40
Imasco	39.55	39.05	39.55	39
Investors Grp	28.35	28.15	28.35	28.15
Loblaw Cos	19.40	19¼	19.38	19.05
Natl Bk Canada	16.30	16.15	16.30	16.20
Power Corp	32.65	31.80	32.60	31¾
Power Finl	39½	39¼	39½	39¼
Quebecor B	25.95	25.70	25.85	25¾
Rogers Comm B	7.90	7.90	7.90	7.95
Royal Bk Cda	60.20	59¾	59.95	59.80

Oslo
OBX index: 643.37 Previous: 641.20

	High	Low	Close	Prev.
Aker A	136	133.50	136	134
Bergesen Dy A	173	169	171.50	169
Christiania Bk	24.80	24.60	24.80	24.70
Den norske Bk	28.30	28	28.30	28
Elkem	141	140	140	139
Hafslund A	44.70	44	44.50	44
Kvaerner Asa	414	408	409.50	411
Norsk Hydro	365	362.50	365	364
Norske Skog A	257	254	255	257
Nycomed A	102	98.50	101	99
Orkla Asa A	632	624	624	626.50
Petm Geoevc	312	304	312	303
Saga Petm A	150	146	146.50	149
Schibsted	139	138	139	136.50
Transocean Off	505	500	505	490
Storebrand Asa	47.10	46.80	46.80	47.50

Paris
CAC-40: 2624.49 Previous: 2601.45

	High	Low	Close	Prev.
Accor	853	803	849	796
AGF	174.20	169.10	171	167.90
Air Liquide	915	901	910	903
Alcatel Alsth	634	622	630	621
Axa-UAP	347	343.20	344.30	343.60
Bancaire	677	657	671	660
BIC	900	879	886	880
BNP	239.50	229.50	230.70	228.90
Canal Plus	999	973	997	973
Carrefour	3998	3894	3910	3938
Casino	273	265	272	264.90
CCF	242.80	233.50	234.80	239
Cetelem	651	631	650	618
Christian Dior	904	883	898	890
CLF-Dexia Fran	558	540	553	535
Credit Agricole	N.T.	N.T.	N.T.	1275
Danone	918	895	901	884
Elf-Aquitaine	622	606	619	600
Eridania BS	868	838	857	831
Eurodisney	9	8.95	9	8.90
Eurotunnel	6.25	6.05	6.10	6.20
Gen. Eaux	708	684	694	700
Havas	390	376	389.90	378.90
Imetal	768	753	755	770
Lafarge	368.50	356	358	356.70
Legrand	1000	939	995	938
L'Oreal	2193	2141	2181	2168
LVMH	1457	1422	1440	1418
Lyon. Eaux	556	545	553	553
Michelin B	323.80	316.20	319.40	313.30
Paribas A	365.80	352.10	356.60	356.90
Pernod Ricard	298	290	290	300
Peugeot Cit	586	556	565	577
Pinault-Print	2495	2451	2470	2438
Promodes	2100	1994	2067	1990
Renault	130.30	126	129.20	126.50
Rexel	1560	1502	1560	1500
Rh-Poulenc A	190.80	187.80	189.40	187.50
Sanofi	519	496.30	499.30	514
Schneider	299	286.20	298	283.90
SEB	1060	1005	1050	1019
SGS Thomson	488.60	476.10	479.80	487
Ste Generale	622	593	596	610
Sodexho	2749	2650	2690	2733
St Gobain	813	778	792	801
Suez	289.80	283.50	287.20	286.20
Synthelabo	698	677	684	694
Thomson CSF	157	150	156	153
Total B	536	524	535	537
Usinor	86.80	85	86	84.70
Valeo	350	335	345.20	342

São Paulo
Bovespa index: 11254.30 Previous: 11340.80

	High	Low	Close	Prev.
Bradesco Pfd	8.60	8.44	8.45	8.52
Brahma Pfd	775.00	760.00	775.00	762.00
Cemig Pfd	53.00	49.50	52.30	50.60
CESP Pfd	60.50	59.80	60.10	59.90
Copel	16.10	15.90	16.00	15.90
Eletrobras	510.00	501.00	502.00	508.00
Itaubanco Pfd	558.00	554.00	555.00	558.00
Light Servicios	535.00	527.00	527.00	534.50
Lightpar	357.00	352.00	357.00	352.00
Petrobras Pfd	254.00	248.00	248.99	250.00
Paulista Luz	158.00	154.00	154.00	157.01
Sid Nacional	35.10	34.70	34.80	35.00
Souza Cruz	10.25	10.15	10.21	10.15
Telebras Pfd	149.60	146.25	146.25	148.70
Telemig	176.00	167.99	173.00	166.00
Telerj	180.00	170.00	170.00	168.97
Telesp Pfd	367.00	345.00	348.00	360.00
Unibanco	36.070	36.00	36.00	36.00
Usiminas Pfd	1.14	1.12	1.12	1.14
CVRD Pfd	23.90	23.10	23.15	23.50

Seoul
Composite index: 744.86 Previous: 758.39

	High	Low	Close	Prev.
Dacom	99500	96500	98500	99500
Daewoo Heavy	7950	7510	7880	7690
Hyundai Eng.	22000	20900	22000	21200
Kia Motors	16000	15800	16000	16100
Korea El Pwr	28900	28000	28600	28500
Korea Exch Bk	6660	6280	6400	6400
Korea Mob Tel	406000	395000	400000	408000
LG Semicon	38000	36000	37000	37000
Pohang Iron St	58000	57100	57700	58000
Samsung Display	46000	45100	45800	45500
Samsung Elec	66900	65700	65800	66600
Shinhan Bank	11400	11000	11300	11000

Singapore
Straits Times: 2061.22 Previous: 2048.50

	High	Low	Close	Prev.
Asia Pac Brew	6.60	6.35	6.40	6.40
Cerebos Pac	8.30	8.15	8.20	8.15
City Devlts	13.50	13.30	13.40	13.50
Cycle Carriage	14.50	14.40	14.40	14.40
Dairy Farm Int *	0.74	0.72	0.73	0.74
DBS foreign	18.90	18.40	18.90	18.50
DBS Land	Susp.	Susp.	Susp.	5
Fraser & Neave	11.50	11.20	11.30	11.20
HK Land *	2.64	2.55	2.55	2.63
Jard Matheson *	6.80	6.75	6.80	6.85
Jard Strategic *	3.72	3.72	3.72	3.78
Keppel	6.55	6.30	6.35	6.55
Keppel Bank	3.82	3.78	3.80	3.86
Keppel Fels	4.78	4.70	4.76	4.72
Keppel Land	4.30	4.20	4.20	4.22
OCBC foreign	18.40	18.20	18.20	18.40
OS Union Bk F	10	9.75	9.85	9.75
Parkway Hdgs	7.05	6.90	7	6.90
Sembawang	7.25	7.15	7.25	7.25
Sing Air foreign	12.80	12.50	12.50	12.70
Sing Land	7.20	7.10	7.20	7.20
Sing Press F	29.30	28.60	28.60	29.40
Sing Tech Ind	4.08	3.98	4.08	3.98
Sing Telecomm	2.58	2.54	2.58	2.59
Tat Lee Bank	3.38	3.36	3.38	3.38
Utd Industrial	1.14	1.13	1.13	1.13
Utd O'Sea Bk F	15.50	15.30	15.50	15.40
Wing Tai Hdgs	4.32	4.24	4.26	4.34

*: in U.S. dollars.

Stockholm
SX 16 index: 3062.55 Previous: 3043.40

	High	Low	Close	Prev.
AGA B	102.50	101.50	102.50	102.50
ABB A	108	105.50	107	106.50
AssiDoman	211	208	209.50	209.50
Astra A	130.50	128.50	130.50	128.50
Atlas Copco A	209.50	205	207	208
Autoliv	301.50	290	300.50	291.50
Electrolux B	459	456	456.50	457
Ericsson B	279.50	276	279	278
Hennes B	260	253.50	255	257
Incentive A	696	690	693	694
Investor B	391	385	387.50	385
MoDo B	242	238.50	238.50	242
Nordbanken	240.50	235	239	240
Pharm/Upjohn	274	268	271.50	274
Sandvik B	209.50	203.50	207	202.50
Scania B	222.50	218	221.50	218
SCA B	168.50	166	167.50	166.50
S-E Banken A	83.50	80	83.50	81
Skandia Fors	271	265.50	268	269
Skanska B	319	300	317.50	315
SKF B	177	168.50	175	175
Sparbanken A	153.50	150	153	151
Stadshypotek A	190	190	190	190
Stora A	115.50	114.50	115	115
Sv Handles A	217	211.50	215.50	213.50
Volvo B	217	214	215.50	216

Sydney
All Ordinaries: 2613.60 Previous: 2625.70

	High	Low	Close	Prev.
Amcor	8.75	8.65	8.65	8.75
ANZ Bkng	9.24	9	9.12	9.25
BHP	19.14	18.80	18.87	19.15
Boral	4.21	4.07	4.12	4.23
Brambles Ind.	23.70	23.49	23.60	23.60
CBA	13.98	13.85	13.96	13.96
CC Amatil	15.41	15.17	15.40	15.35
Coles Myer	6.26	6.15	6.16	6.26
Comalco	7.44	7.35	7.39	7.46
CRA	21.29	21.10	21.12	21.35
CSR	4.87	4.75	4.82	4.83
Fosters Brew	2.66	2.59	2.64	2.64
Goodman Fld	1.76	1.73	1.74	1.74
ICI Australia	12.30	12.10	12.14	12.15
Lend Lease	26.40	26.15	26.40	26.25
MIM Hdgs	1.95	1.90	1.92	1.97
Nat Aust Bank	19.01	18.69	18.90	18.88
Nat Mutual Hdg	1.93	1.89	1.90	1.90
News Corp	5.91	5.85	5.86	5.89
Pacific Dunlop	3.82	3.72	3.78	3.76
Pioneer Intl	4.59	4.50	4.55	4.55
Pub Broadcast	7.19	7.08	7.08	7.12
St George Bank	8.20	8.03	8.11	8.02
WMC	8.32	8.14	8.18	8.33
Westpac Bkng	7.05	6.88	6.92	7.12
Woodside Pet	11.20	10.90	10.95	11.06
Woolworths	4.02	3.90	3.95	4.03

Taipei
Stock Market index: 8255.78 Previous: 8197.38

	High	Low	Close	Prev.
Cathay Life Ins	148.50	146	146	146.50
Chang Hwa Bk	118	115.50	117	115.50
Chiao Tung Bk	69	67.50	68	68.50
China Develpmt	118.50	116	117	115.50
China Steel	30	29.60	29.80	29.60
First Bank	116.50	114	115	114
Formosa Plastic	74	72	73.50	72
Hua Nan Bk	116	113	114.50	113
Intl Comm Bk	67	65	66	65
Nan Ya Plastics	77	76	76.50	76
Shin Kong Life	91.50	89.50	90	90.50
Taiwan Semi	124.50	120	124.50	119
Tatung	56.50	55.50	56	56
Utd Micro Elec	78.50	77.50	78.50	77.50
Utd World Chin	67.50	66.50	67	67

Tokyo
Nikkei 225: 20563.16 Previous: 20451.85

	High	Low	Close	Prev.
Ajinomoto	1250	1220	1230	1220
All Nippon Air	764	753	755	765
Amway	4480	4360	4360	4430
Asahi Bank	782	778	778	780
Asahi Chem	680	668	676	669
Asahi Glass	1170	1150	1160	1160
Bk Tokyo Mitsu	2080	2040	2050	2060
Bk Yokohama	608	592	607	594
Bridgestone	2730	2680	2700	2690
Canon	3020	3000	3000	3020
Chubu Elec	2100	2060	2090	2100
Chugoku Elec	2070	2050	2050	2070
Dai Nipp Print	2440	2360	2440	2350
Daiei	808	770	770	794
Dai-Ichi Kang	1420	1330	1350	1420
Daiwa Bank	470	453	462	465
Daiwa House	1400	1390	1400	1400
Daiwa Sec	927	893	900	883
DDI	8860a	8820a	8860a	8820a
Denso	2960	2920	2960	2970
East Japan Ry	5760a	5650a	5720a	5760a
Eisai	2350	2310	2340	2340
Fanuc	4250	4150	4220	4150
Fuji Bank	1570	1550	1560	1550
Fuji Photo	4850	4740	4750	4710
Fujitsu	1470	1450	1470	1450
Hachijuni Bk	1120	1100	1100	1120
Hitachi	1280	1260	1270	1270
Honda Motor	3590	3530	3550	3580
IBJ	1450	1430	1450	1440
IHI	450	445	445	444
Itochu	626	614	619	619
Ito-Yokado	6800	6690	6720	6700
JAL	510	500	500	507
Japan Tobacco	9110a	9040a	9040a	9070a
Jusco	4010	3860	3870	4010
Kajima	682	669	679	678
Kansai Elec	2250	2220	2240	2250
Kao	1600	1570	1590	1580
Kawasaki Hvy	521	510	511	516
Kawa Steel	357	351	354	347
Kinki Nipp Ry	705	701	702	705
Kirin Brewery	1200	1170	1200	1170
Kobe Steel	229	225	228	226
Komatsu	897	882	890	887
Kubota	573	562	565	565
Kyocera	8550	8400	8510	8370
Kyushu Elec	2060	2050	2050	2060
LTCB	395	382	386	391
Marubeni	506	499	504	507
Marui	2210	2160	2170	2180
Matsu Comm	3740	3630	3710	3630
Matsu Elec Ind	2260	2220	2230	2220
Matsu Elec Wk	1330	1310	1320	1320
Mitsubishi	1400	1370	1370	1390
Mitsubishi Ch	378	363	373	363
Mitsubishi El	686	670	680	682
Mitsubishi Est	1700	1630	1670	1630
Mitsubishi Hvy	871	852	852	865
Mitsubishi Mat	871	861	870	867
Mitsubishi Tr	1680	1650	1650	1670
Mitsui	1040	1020	1020	1040
Mitsui Fudosn	1540	1480	1520	1470
Mitsui Trust	915	889	910	890
Murata Mfg	4680	4550	4550	4640
NEC	1660	1640	1650	1630
Nikon	2090	2030	2050	2090
Nikko Sec	720	707	710	708
Nintendo	9200	9000	9150	9100
Nipp Express	922	908	912	908
Nippon Oil	615	600	600	605
Nippon Steel	352	345	347	346
Nissan Motor	801	792	800	799
NKK	250	245	250	243
Nomura Sec	1430	1370	1370	1390
NTT	1090b	1060b	1070b	1060b
NTT Data	4470b	4400b	4410b	4450b
Oji Paper	713	699	702	706
Osaka Gas	310	307	309	310
Ricoh	1560	1540	1550	1530
Rohm	11900	11800	11900	11700
Sakura Bk	737	726	730	728
Sankyo	3780	3730	3740	3730
Sanwa Bank	1510	1480	1490	1480
Sanyo Elec	503	498	499	503
Secom	8330	8250	8320	8320
Seibu Rwy	6050	5970	6050	6000
Sekisui Chem	1240	1220	1240	1240
Sekisui House	1200	1190	1200	1200
Seven-Eleven	8470	8430	8470	8450
Sharp	1550	1530	1530	1530
Shikoku El Pwr	1980	1950	1960	2000
Shimizu	705	700	702	703
Shin-etsu Ch	3000	2940	2940	2970
Shiseido	1740	1720	1720	1720
Shizuoka Bk	1160	1150	1160	1160
Softbank	7960	7680	7960	7770
Sony	10100	9940	10100	9940
Sumitomo	1070	1040	1050	1070
Sumitomo Bk	1700	1670	1690	1680
Sumit Chem	504	493	499	505
Sumitomo Elec	1870	1840	1850	1850
Sumit Metal	318	312	316	310
Sumit Trust	1100	1070	1070	1050
Taisho Pharm	3110	2990	3060	3000
Takeda Chem	3070	3020	3020	3050
TDK	9100	9010	9050	8950
Tohoku El Pwr	2050	2030	2030	2050
Tokai Bank	1010	978	990	980
Tokio Marine	1430	1400	1430	1430
Tokyo El Pwr	2290	2270	2280	2280
Tokyo Electron	5850	5710	5710	5750
Tokyo Gas	317	310	313	314
Tokyu Corp.	695	676	689	682
Tonen	1460	1440	1440	1450
Toppan Print	1670	1630	1650	1630
Toray Ind	806	785	799	804
Toshiba	729	720	727	719
Tostem	3160	3140	3150	3150
Toyo Trust	832	809	809	819
Toyota Motor	3470	3420	3430	3410
Yamanouchi	3030	2930	2970	2940

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6428.93 Previous: 6404.08

	High	Low	Close	Prev.
Abitibi Cons.	25.60	24.95	25	25.10
Alberta Energy	33.80	33.35	33.55	33.30
Alcan Alum	49.85	49½	49.65	49¼
Anderson Expl	18¼	17.65	18.15	18
Bk Montreal	53¾	53	53.35	53¾
Bk Nova Scotia	58.20	57.70	58.05	57.80
Barrick Gold	34.15	33.45	33.55	34.10
BCE	38.20	37.20	37¾	37.20
BC Telecomm	31.80	31.30	31¼	31¼
Biochem Pharm	34	34	34	34¼
Bombardier B	29	28¼	28.95	28.95
Brascan A	34.85	34.55	34¼	34.85
Cameco	54	53½	53.70	54.10
CIBC	34.10	33¾	33.85	33.80
Cdn Natl Rail	58¼	57.80	58.10	57.95
Cdn Nat Res	36¾	35½	35.80	36¼
Cdn Occid Pet	31.70	31.40	31.60	31.45
Cdn Pacific	37.55	36.20	37.40	36½
Cominco	38.90	38¼	38.90	38.90
Dofasco	26.70	26.20	26.45	25.90
Domtar	11.30	11.05	11.20	11.10
Donohue A	30¼	29¾	30¼	30.10
Du Pont Cda A	33.40	32¾	33	32¾
Edper Group	23.80	23½	23.70	23.80
EuroNev Mng	41½	40.60	41½	40¼
Fairfax Finl	340	339¾	339½	340
Falconbridge	30.35	29¾	30	29.85
Fletcher Chall A	23¼	23.15	22¾	23¾
Franco Nevada	72.90	72	72.20	72.90
Gulf Cda Res	12½	12¼	12.40	12.40
Imperial Oil	69.60	67.90	69	68.15
Inco	45¼	44¼	44.40	44.40
IPL Energy	43.60	43.20	43¼	43.60
Laidlaw B	18.80	18.55	18.65	18.65
Loewen Group	47	45.80	46.90	46
Macmill Bldl	20.45	20	20.30	20¼
Magna Intl A	74¾	73.60	73.60	74.30
Methanex	12.95	12¾	12¾	12.70
Moore	30¼	30.40	30.60	30.55
Newbridge Net	57	54½	54.60	57.45
Noranda Inc	30.85	30.55	30.60	30.80
Norcen Energy	33.45	33.10	33.45	33.35
Nthern Telecom	118¼	117½	117.60	118¼
Nova	11.65	11¼	11.55	11.55
Onex	26¾	26½	26½	26½
Pancdn Petlm	29¼	29¼	29¼	29¼
Petro Cda	24.10	23.55	23.90	23.40
Placer Dome	24.10	23.65	23.80	24.10
Poco Petlm	14.60	14½	14½	14.55
Potash Sask	112¼	110.05	112	110.60
Renaissance	43.55	42¼	42¼	43.40
Rio Algom	36.40	36	36.40	36.05
Rogers Cantel B	25.90	25	25	25¼
Seagram Co	56.35	55	56.10	55.35
Shell Cda A	57½	54.95	57.15	57.15
Suncor	34¾	34.15	34¾	34.15
Talisman Eny	46.30	45.10	45.85	45.10
Teck B	30¼	30½	30.60	30½
Teleglobe	42¾	42¼	42¾	42.20
Telus	24.70	24¼	24.60	24¼
Thomson	32¼	31.30	32¼	31.60
TorDom Bank	42.35	41.80	42.15	41.90
Transalta	16.05	15¾	15¾	16
TransCda Pipe	27.40	27	27¾	27.15
Trimark Finl	55½	54.35	54½	54
Trizec Hahn	30.10	29.90	29.95	29.95
TVX Gold	8.55	8¼	8.35	8¼
Westcoast Eny	25.30	25.05	25.30	25.20
Weston	92	87	90¼	87

Vienna
ATX index: 1298.82 Previous: 1300.35

	High	Low	Close	Prev.
Boehler-Uddeh	946	918.20	946	922
Creditanst Pfd	495	488.10	490.10	494.50
EA-Generali	3048	2951	3048	3050
EVN	1775	1711	1712.45	1725
Flughafen Wien	533.15	517.05	518	521
OMV	1613	1560.10	1583	1589
Oest Elektriz	869	863.25	867	863.25
VA Stahl	559.50	550	551	551
VA Tech	2145	2111	2119.50	2135
Wienerberg Bau	2502	2476	2476	2477.60

Wellington
NZSE-40 index: 2349.43 Previous: 2356.88

	High	Low	Close	Prev.
Air NZealand B	4.29	4.27	4.27	4.29
Brierley Invt	1.35	1.34	1.34	1.35
Carter Holt	3.48	3.42	3.48	3.48
Fletch Ch Bldg	4.06	4.05	4.06	4.05
Fletch Ch Eny	4.90	4.64	4.85	4.65
Fletch Ch Forst	1.94	1.90	1.93	1.91
Fletch Ch Paper	3.37	3.31	3.36	3.36
Lion Nathan	3.70	3.63	3.63	3.80
Telecom NZ	7.00	6.91	6.95	6.97
Wilson Horton	11.70	11.67	11.70	11.65

Zurich
SPI index: 3291.37 Previous: 3258.83

	High	Low	Close	Prev.
ABB B	2018	1996	2015	2006
Adecco B	533	523	530	532
Alusuisse R	1390	1365	1390	1351
Ares-Serono B	2030	1960	2010	1930
Atel R	880	875	880	880
Baer Hdg B	1975	1968	1970	1955
Baloise Hdg R	3180	3135	3145	3140
BK Vision	1100	1091	1100	1084
Ciba Spec Chem	139.25	133	133.25	135.25
Clariant R	909	898	905	905
Crd Suisse Gp R	187.50	183.50	186.25	184
Elektrowatt B	540	538	540	539
Ems-Chemie	6360	6270	6320	6340
ESEC Hdg	4580	4305	4580	4500
Holderbank B	1310	1284	1299	1280
Liechtenst LB B	487	483	486	483
Nestle R	1823	1791	1809	1788
Novartis R	1999	1955	1988	1947
Oerlikon Buehrle R	165.50	162.50	165	164.75
Pargesa Hld B	1811	1795	1811	1810
PharmVisn B	801	793	800	795
Richemont A	1975	1945	1960	1947
Pirelli PC	239.75	236	239.75	239.75
Roche Hdg PC	13050	12865	13025	12865
SBC R	355.50	348	353	353
Schindler PC	1825	1815	1820	1825
SGS B	3235	3175	3225	3175
SMH B	871	854	865	862
Sulzer R	1169	1150	1164	1144
Swiss Reins R	1969	1938	1947	1940
Swissair R	1479	1461	1470	1470
UBS B	1602	1586	1601	1591
Winterthur R	1187	1173	1186	1179
Zurich Assur R	545	528	534	538

NYSE

Tuesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

Continued on Page 18

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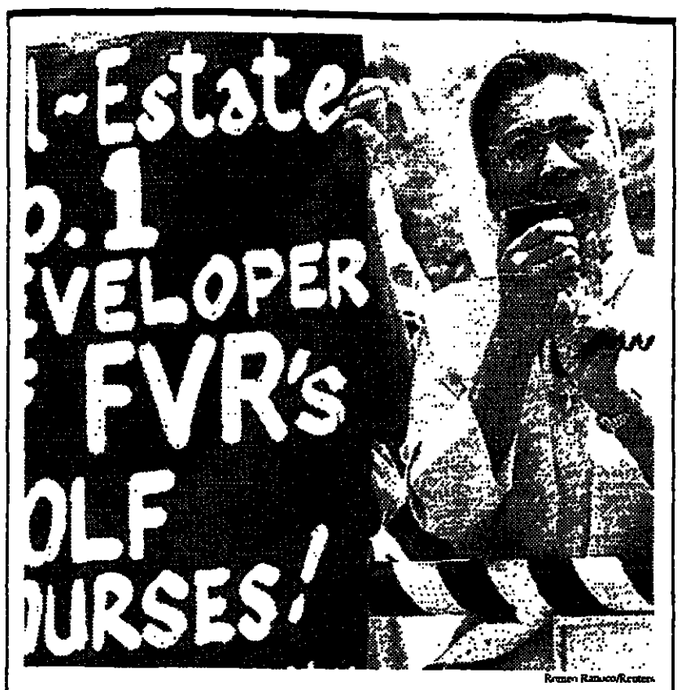


Romeo Ranoco/Reuters

Struggling to Keep Land Developers Away

A Filipino Catholic nun protesting Tuesday against plans by Fil-Estate Properties Inc. to convert farmland south of Manila into golf courses. Separately, regulators denied Filinvest Land Inc. a permit to build a satellite city near Manila and fined the company 50,000 pesos ($1,900) for violating environmental laws. Filinvest said it would appeal the decision, but its share price tumbled 8 percent.

Chinese Quest: 'Fun Places'

Department Store From Mao's Era Rushes to Keep Up

Bloomberg News

BEIJING — When Wang Xiaowei went shopping for a summer dress this week, she turned up her nose at the bronze bust of a model worker outside Beijing's oldest department store and hurried up the street to a shop run by Galeries Lafayette of France.

"I like shopping in fun places," the 36-year-old Beijing resident said, fingering a pink linen dress that, at 1,200 yuan ($145), costs more than her monthly salary.

The store she passed up, the 42-year-old Beijing Wangfujing Department Store, "is famous, but it got left behind," she said. "Look at that bust of the model worker outside — how old- fashioned!"

But that old-fashioned store, founded just six years after Mao Zedong led the Communists to victory in 1949, is at the heart of the most popular stock sale ever held in Hong Kong, and it is moving rapidly to ensure that it will not stay old-fashioned for long.

Wangfujing is lining up American suppliers and hiring American consultants to help it shed its stodgy image. It hopes to team up with the likes of Gap Inc. and American fast-food chains to bring in shoppers, and it hopes to increase the number of its stores by 15 times within three years, using the $280 million raised by its parent company, Beijing Enterprises Ltd., last week.

The company's target: families with monthly incomes of 1,500 yuan to 2,500 yuan ($180 to $300) who want to do all their shopping in one place. Its aim: to be China's Sears, Roebuck & Co. or Wal-Mart Stores Inc. — only more profitable.

The company has reason to move fast. In an economy growing at 15 percent a year, intense competition kept sales growth at just 0.8 percent last year at Beijing Wangfujing Department Store (Group) Co.

"Being the oldest and most famous doesn't mean you're the most suited to consumers' needs," said the general manager, Zheng Wanhe. "We've got to adjust."

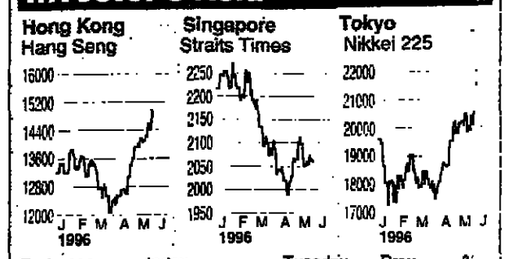
Wangfujing Department Store still bears hallmarks of state planning. Down its aisles of glass-framed counters, ladies' underwear is sold next to ping-pong paddles. Buy an item and you have to pay at a separate counter, where receipts are made in triplicate.

"As you go through our Beijing store, remember that is not our future, it's our past," said Todd Andersen, who left the consulting firm McKinsey & Co. to become the store's executive vice president of merchandising a month ago.

Many investors are willing to buy that — investors applied for 1,000 times as many shares as Beijing Enterprises made available — although some warn that the plan is far from being a sure success. "I'm not that bullish," said Ann Shih, an analyst at Kleinwort Benson Securities (Asia) Ltd. "There are so many new stores in Beijing, and for people outside of its home city, it's just another new name."

On the other hand, "China's market, with 1.2 billion people, is huge," Mr. Zheng said, "and with 4 trillion yuan in savings, people have real spending power."

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,760.17	14,990.90	-1.54
Singapore	Straits Times	2,061.22	2,060.90	+0.02
Sydney	All Ordinaries	2,613.60	2,625.70	-0.46
Tokyo	Nikkei 225	20,563.16	20,451.85	+0.54
Kuala Lumpur	Composite	1,126.83	1,117.97	+0.79
Bangkok	SET	556.57	563.35	-1.20
Seoul	Composite Index	766.06	758.39	+1.01
Taipei	Stock Market Index	8,255.78	8,197.30	+0.71
Manila	PSE	2,802.78	2,820.72	-0.64
Jakarta	Composite Index	698.40	699.73	-0.19
Wellington	NZSE-40	2,349.43	2,356.80	-0.31
Bombay	Sensitive Index	3,838.86	3,810.92	+0.73

Source: Telekurs — International Herald Tribune

Very briefly:

• **Philippine Airlines** reported a net loss of 1.4 billion pesos ($54 million) from January to March, the last quarter of its fiscal year, compared with 1.2 billion peso loss in the previous quarter. The carrier's revenue grew 8 percent from the previous quarter to 7.9 billion pesos as expenses rose 9 percent to 8.9 billion pesos.

• **Indonesia's** merchandise trade surplus narrowed more than expected to $243.3 million in March, its lowest point in nine months. Separately, Indonesia's inflation rate accelerated to 5.20 percent in May, compared with 5.05 percent in April, a government official said.

• **China International Trust & Investment Corp.**, China's biggest investment company, plans to invest in Shanghai infrastructure projects, in part to raise the profile of its Hong Kong-listed unit, **CITIC Pacific Ltd.**

• The **Thai** government plans to announce a financial-aid package next week for the **Alphatec Group**, which has been unable to raise funds to finish the country's first computer memory-chip production plant after its partnership with Texas Instruments Inc. collapsed last month.

• The **U.S. International Trade Commission** ruled that **Samsung Electronics Co.** infringed two U.S. patents held by **SanDisk Corp.**, a maker of computer memory devices. The commission has banned the import into the United States of components containing Samsung's flash-memory chips.

• **Global One Inc.** and **Kobe Steel Ltd.** plan to offer international phone services in Kobe on a test basis in the autumn, before the opening of Japan's international phone market. Global One is a venture between **France Telecom SA, Deutsche Telekom AG** and **Sprint Corp.**

• **Hong Kong's** Independent Commission Against Corruption will have the word "independent" stripped from its title after Hong Kong returns to China on July 1. The change drew fire from the panel's new chairman, who said the territory's anti-corruption squad must keep the word to show it will continue to fight graft without fear or favor. *Bloomberg, AFP*

Hashimoto Sets First Targets for Spending Cuts

Compiled by Our Staff From Dispatches

TOKYO — Prime Minister Ryutaro Hashimoto took the government's first concrete step Tuesday toward reining in one of the world's highest fiscal deficits.

Mr. Hashimoto, who last year called reducing the deficit his top priority, announced targets to curtail spending, some of them in areas such as public works, defense and social welfare that have been considered sacred cows.

"I want the nation to understand that we have a responsibility to the next century's generations to solve the fiscal deficit," Mr. Hashimoto said after the cabinet approved the targets.

The move came as economists warned that failure to cut the deficit would tax future growth. The deficit has swollen as the government has poured as much as 66 trillion yen ($567.74 billion) into public-works projects since August 1992 to stimulate growth, with limited success.

Economists estimate that the deficit equals 6.4 percent of gross domestic product, far surpassing the U.S. deficit of 1.5 percent of GDP. Japan's goal is to cut the deficit to 3 percent of GDP by 2005.

Mr. Hashimoto's plan calls for the government to trim next year's general expenditures by 0.5 percent, or 200 billion yen, from this year's 43.8 trillion yen. Public-works spending is to be cut by more than 10 percent over the next three years, and social welfare spending is to be cut by reducing medical coverage.

Japan also is to cut its midterm defense-spending package of 25.15 trillion yen by 920 billion yen over the next three years.

Assistance to developing countries is to fall by about 10 percent, its first decline in two decades. Indonesia and China are the biggest recipients of Japanese aid.

Some economists said the plan did not adequately address subsidies for farmers hit by the liberalization of Japan's farm sector under global trade agreements. *(Bloomberg, AFP, Reuters)*

■ Nomura Chief Confesses, Reports Say

Hideo Sakamaki, the former Nomura Securities Co. president, has confessed to authorizing subordinates to make 38 million yen ($327,000) in illegal payoffs to a racketeer, Japanese media reported, according to Bloomberg News.

He made the confession during questioning by prosecutors, who arrested him Friday on suspicion of authorizing lower-ranking employees to pay money to Ryuichi Koike, a reputed *sokaiya*, or corporate blackmailer, the reports said.

Seoul Panel Recommends Independent Central Bank

Compiled by Our Staff From Dispatches

SEOUL — A presidential commission recommended Tuesday that South Korea free the control of monetary policy from political influence by granting its central bank independence from the government.

President Kim Young Sam declared his support for the reforms, but analysts questioned whether he would have the authority to carry them through before his term ended in February. His influence has been limited by a string of corruption scandals, a series of financial failures among the country's largest corporations, and the slowest economic growth since 1993.

The panel called for the central bank governor to head the Bank of Korea's policy-setting monetary board, a position now held by the finance minister. The move could result in more stable inflation, which has fluctuated greatly over the past few years, because it would lessen the possibility of manipulating interest rates to promote economic growth out of political expediency.

"A stronger central bank will make the economy healthier by providing a stable and consistent monetary policy," said Lee Seung Ho, a fund manager at Daehan Investment Trust Co.

The commission also proposed other steps that analysts said were intended to limit the Finance Ministry's influence over the economy.

The panel suggested creating a unified financial watchdog board to replace the three separate bodies that currently oversee banks, securities houses and insurers. Those three groups now report to the Finance Ministry, which is expected to fight any efforts to rein in its power. The unified board should be under the direct control of the prime minister and the head of the board should have ministerial rank, the commission said.

Mr. Kim ordered the cabinet to draft legislation based on the proposals and to submit it to the National Assembly this month.

But Lee Keunmo, head of research at ING Barings, said, "I'm wondering who will really listen when a lame-duck president orders reforms to be implemented."

Lee In Hyung, research director at LG Economic Research Institute, said, "I doubt they will be implemented because the proposals have been prepared in haste by a lame-duck government." *(Bloomberg, Reuters)*

India Proposes 3-Year Plan for Rupee on Markets

Compiled by Our Staff From Dispatches

BOMBAY — India should make the rupee a fully convertible currency in three years, a central bank advisory panel said Tuesday, but bankers and economists said the goal would be a difficult one.

A committee appointed by the Reserve Bank of India listed conditions that needed to be met before the rupee could be made convertible.

They included an average inflation rate of 3 percent to 5 percent for the three years until 2000 and a reduction in the fiscal deficit to 3.5 percent of gross domestic product by the 1999-2000 financial year.

"These are very difficult numbers to achieve, going by our past record," Subir Biswas, senior treasurer at ABN-AMRO Bank, said. "It might take more time than three years."

Analysts pointed out that the Indian inflation rate had averaged 6 percent to 7 percent recently and had seldom fallen below 5 percent.

Analysts nevertheless said they expected the central bank governor, C. Rangarajan, to follow the recommendations, as he had picked the committee of five prominent economists. Making the currency convertible would stimulate foreign investment, make it easier for Indian companies to raise money for expansion, the panel said. *(Bloomberg, Reuters, AFP)*

MOVIES: *Crisis for Czech Studio*

Continued from Page 13

Moravia has vowed to maintain the studios' operations as the country's leading film-production center.

But Mr. Forman, who made "The Fireman's Ball" and "Loves of a Blonde" at Barrandov before emigrating to America, questioned Moravia's artistic credentials. "It's only a matter of time before they discover that film projection depends on having little holes all along the edge of a film and they entrust film production to an expert on sieves," he said.

He criticized Mr. Marhoul, however, for having put the studio in its tenuous position.

"The business arrogance of Moravia Steel doesn't surprise me, but the naïveté of those who allowed it to end up owning most of the shares does," he said.

In fact, many Czechs say that Mr. Marhoul has only himself to blame.

Like many other budding Czech capitalists, Mr. Marhoul, a graduate of the FAMU film school in Prague and a one-time rock band manager, had little experience in business when he became chief executive of the studio in 1990. His fast-talking, profit-motivated attitude raised the hackles of a sedate and comfortable film industry that had spent four decades of communism riding on government subsidies.

Mr. Marhoul fired the directors, producers, cameramen and technicians on Barrandov's staff, encouraging them to come back to work as private contractors.

The move may have saved Barrandov from collapse when state subsidies were cut, and it seemed to put Barrandov on track to profit. But Mr. Marhoul fell out with Mr. Forman and the other Czech film industry stars who had helped him privatize the studios, and he was pushed out in 1994.

He fought his way back, mounting a multimillion-dollar hostile takeover of Barrandov. But with both bank loans and venture capital difficult to raise in the Czech Republic, Mr. Marhoul turned to a little-known provincial firm called First Silas Investment Fund, which owns Moravia Steel. In return, Moravia wound up with 80 percent of Barrandov.

Mr. Marhoul says he does not know why his partners suddenly turned on him.

Regardless of who is to blame, President Vaclav Havel suggested in one of his regular radio chats to the nation that without a film industry, the Czech soul would be impoverished.

"Does this mean it makes no difference to us whether films would be produced in the country, and whether we, once a great film power, would have our own studio with a respected name?" Mr. Havel asked. Some things, he said "should not be completely left to the mercy of market interests."

Ladislav Verecky, a cultural critic and commentator at the newspaper Prague Mlada fronta Dnes, said the episode was a useful lesson for the country as it embraced capitalism.

"You should not be that confident in your owners' altruistic feelings," he said, "because art is not what they are actually primarily interested in. It's money that's the first art here."

Land Sale Is Mixed in Hong Kong

Compiled by Our Staff From Dispatches

HONG KONG — Hong Kong began its final land auction before its return to Chinese rule in front of a muted audience Tuesday, but the prospective buyers' reserve eventually gave way to avid bidding, showing selective confidence in the property market, analysts said.

Developers kept a stony silence for 15 minutes when the auctioneer asked for 5.2 billion Hong Kong dollars ($671.6 million) for a plot measuring 571,848 square feet (51,466 square meters) in the beachside area of Stanley.

The site on the southern side of Hong Kong island was eventually sold to a consortium led by Paliburg Holdings Ltd. for 5.5 billion dollars, below analysts' predictions.

There was more enthusiasm when the government opened bidding for a 79,675-square-foot waterfront site in Hunghom on the Kowloon peninsula at 3.8 billion dollars.

Cheung Kong (Holdings) Ltd. and Hutchison Whampoa Ltd. snapped up the site for 6.06 billion dollars, above expectations. *(Reuters, AFP)*

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1. To hear the report of the auditor to the liquidation.
2. To approve the report of the liquidator and of the auditor to the liquidation.
3. To grant discharge to the liquidator and to the auditor to the liquidation.
4. To grant discharge to the Directors in office at the date of liquidation.
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WORLD ROUNDUP

Bailey Apologizes

ATHLETICS Donovan Bailey says he is sorry he "stooped so low" in making remarks about Michael Johnson after Bailey's triumph over the American sprint star.

Bailey, who received $1.5 million for winning the 150-meter showdown at the SkyDome, called Johnson a "chicken" and a "coward" in TV interviews after Johnson pulled up with a leg injury. He also insinuated that Johnson was feigning injury.

Donovan, the world 100-meter record-holder said he deeply regretted the way he reacted. "I saw a couple of comments that I made on TV and I thought: 'That's not me. That's not right.' "

Johnson's appearances in the U.S. and world championships are in jeopardy because of the injury, which was described as "a severe pull in his left quadricep." *(AP)*

A Slaney Challenge

ATHLETICS — Mary Decker Slaney filed a complaint with the U.S. Olympic Committee, claiming the drug test that prompted her suspension was flawed and discriminates against women. The USOC, in turn, demanded that USA Track & Field, the sport's national governing body, respond by Friday, either by scheduling a hearing or taking other action. *(AP)*

Dortmund Chief Quits

SOCCER Borussia Dortmund's president, Gerd Niebaum, stunned the European Cup winners Tuesday by announcing that he planned to step down. Niebaum, 48, whose trophy-laden 11-year tenure has left him with hero status in this Ruhr Valley town, said he would not be seek re-election at the club's annual meeting this fall. He ascribed the move to the growing responsibilities of the president's position.*(Reuters)*

Gualdi Sprints Home

CYCLING Mirko Gualdi prevailed in a three-way sprint of unheralded cyclists Tuesday to win the 17th stage of the Giro d'Italia while Ivan Gotti finished in the main pack nearly six minutes behind and retained the pink jersey of the overall leader. *(AP)*

Us? Panic? Flyers Ask

HOCKEY During the NHL playoffs, radical change can be interpreted as a sign of panic, especially when it occurs in the championship round. The Philadelphia Flyer coach, Terry Murray, made a major move, saying he was switching goaltenders. Was he panicking in sending Ron Hextall to the bench in favor of Garth Snow after a loss to the Detroit Red Wings in the opener of the Stanley Cup finals. "I think every time we lose, we change the goalies," Hextall said, quickly adding that he was kidding. *(NYT)*

Now It's Nicklaus & Son

GOLF Jack Nicklaus will make another piece of U.S. Open history next week. Never, until now, have a father and son qualified to play in the same Open, but Gary Nicklaus, 28, has qualified for a spot in the tournament. *(WP)*

Defending Champions Trip Over Their Feet of Clay

Graf and Kafelnikov Join List of Vanquished Seeds

By Ian Thomsen
International Herald Tribune

PARIS — Every day another leader is deposed, the influence of money and traditions diminishing with each passing shot. Steffi Graf out. Yevgeni Kafelnikov out. The two defending champions were replaced in the French Open quarterfinals Tuesday by a little South African and a part-time surfer from Brazil.

The Brazilian, Gustavo Kuerten of Florianopolis, a beach town with a third-division soccer club and — much more famously now — the No. 66 tennis player in the world, won eight games in a row while coming back to upset No. 3 Kafelnikov, 6-2, 5-7, 2-6, 6-0, 6-4. Kafelnikov was the last seed in the top half of the draw which began 10 days earlier with Pete Sampras, Thomas Muster and Alex Corretja.

In their place are the semifinalists Kuerten and Filip Dewulf, a Belgian qualifier ranked No. 122 who still doesn't quite get it. Asked how he was planning to spend his winnings, he said, "I will do the same as usual with the money. I will buy compact disks." The only seed remaining is No. 16 Sergi Bruguera of Spain, the 1993 and 1994 champion who hasn't won a tournament in three years. Bruguera plays a Moroccan, Hicham Arazi, in a quarterfinal Wednesday.

FRENCH OPEN TENNIS

"It's really sad that all the top guys are losing in the early rounds, but that's what tennis is today," Kafelnikov said. "To be honest, when I won the third set, I felt like the thing is going to become much, much easier. But when he broke me, I realized, 'God, what have I done?' I find it very hard to get back into the match." Just two weeks ago, Dewulf wasn't sure he would be playing in the French Open. He advanced through three rounds of qualifying matches just to win a place in the 128-man field. With his 6-2, 6-7 (2-7), 6-4, 6-3 victory over No. 65 Magnus Norman of Sweden, Dewulf became the first qualifier to reach a French Open semifinal in the Open era. The other two qualifiers to go as far in Grand Slam tournaments have been Bob Giltinan at the Australian Open in 1977 and John McEnroe, who made his breakthrough at Wimbledon the same year. Neither of them made it to the final.

Jack Dabaghian/Reuters
Yevgeni Kafelnikov, who lost his quarterfinal match Tuesday to Gustavo Kuerten.

The majority of the upsets have fallen on the men's side, but none of them have been as weighty as the 6-1, 6-4 victory by No. 11 Amanda Coetzer of South Africa over No. 2 Graf. It was Graf's first quarterfinal loss at Roland Garros since 1986. In the following year she began her run of five French Open titles, including the last two, and 21 Grand Slam titles overall, which is second-best of all time. This loss will drop Graf to No. 3 in the world rankings next week, the first time she has been out of the Top Two since March 1987.

The current No. 3, Monica Seles, will move up a place after her 3-6, 6-2, 7-5 quarterfinal victory against her American compatriot No. 12 Mary Joe Fernandez. Fernandez played dynamically until the penultimate game, when she was broken on the way to her 15th straight loss to Seles. Seles will face a semifinal against No. 1 Martina Hingis, who won her first Roland Garros quarterfinal by 6-2, 6-2 against No. 6 Arantxa Sanchez Vicario of Spain, the two-time former champion.

The 5 foot 2 inch (1.57 meter) Coetzer, who has won only four tournaments in her career, represents an aberration in Graf's career. Coetzer's name doesn't fit in the jigsaw puzzle of Graf's great opponents. Only nine women have ever been able to win three or more matches against Graf; Coetzer has been able to do it in the last four and a half months, seizing on Graf's recovery from a knee injury. In January Coetzer beat Graf, then No. 1, in the fourth round of the Australian Open, ending Graf's run of 45 victories in Grand Slam tournaments. Graf was then sidelined for three months. Three weeks ago she returned to face a 6-0, 6-1 drubbing by Coetzer, the worst loss of Graf's career.

Graf appeared to be stabilized the following week when she overcame Coetzer at the preparatory tour event in Strasbourg. But it became obvious Tuesday that Graf, who will turn 28 before Wimbledon, can't recover as quickly from injury as she used to.

"I was really nervous starting off the match, making a lot of mistakes, feeling very uncomfortable, unsure of all my shots," Graf said. "It's just the state I'm in at the moment. I don't seem to have any self-confidence when I go out there. I need to have that playing against her. I know she's not going to make mistakes. I know it's me who has to do the points. I just don't seem to find the patience and the belief in my shots."

It was not a sluggish match. The 25-year-old Coetzer was at her consistent best from the beginning, chasing down everything and forcing Graf to come up with shots she is not yet ready to perform. Coetzer broke ahead 4-0 as Graf made 29 unforced errors in the opening set, a symptom of hemorrhage advanced by all of the deuces and rallies played under pressure.

Jacques Demarthon/Agence France-Presse
Amanda Coetzer celebrating her 6-1, 6-4 victory Tuesday over Steffi Graf.

A rain delay gave Graf almost an hour to recover after falling behind by a break, 3-1 in the second set. "Even during the break I did not find a positive attitude," Graf said. She was altogether more patient, more exacting of herself, but even at her best she was no better than Coetzer's equal. In the final two games they broke each other, with Coetzer winning her first match point as the result of a trio of forehand errors by Graf.

Graf predicted that Coetzer would "probably not" go onto win the tournament. Coetzer will meet No. 9 Iva Majoli of Croatia in the semifinal. Majoli beat Ruxandra Dragomir of Romania, 6-3, 5-7, 6-2.

■ Amazing Technicolor Players

Kuerten and Kafelnikov made a colorful pair on Center Court, The Associated Press reported. Kuerten wore his usual outfit of blue and yellow shirt, blue shorts, yellow socks and blue shoes. In a gesture to tournament officials who asked him to wear something white, he swapped his yellow bandanna for a predominantly white one. Kafelnikov wore a blue, white and yellow shirt, blue shorts, white socks and yellow shoes.

Why Players Cannot Serve Soccer and Mammon

European Soccer/ROB HUGHES

PARIS — Ronaldo, the Brazilian, is the most coveted goalscorer on earth. He is also the best paid soccer player of this or any other era.

The two go together even in a team game because goals win matches and win championships. Why then has Ronaldo gone AWOL when his club, his principal paymaster, FC Barcelona, needs him most?

The Spanish season is at its crescendo. Last Sunday, without Ronaldo, Barcelona lost, 2-1, at lowly Hercules while Real Madrid won, 5-0, against Extremadura — and so the 10-month marathon of league play tilted decisively toward Madrid.

There are still two games to play, but Ronaldo will be unavailable. He will be playing for Brazil in a tournament in France that is effectively a rehearsal for the World Cup a year from now.

The games Brazil are playing — against France, Italy and England — count for nothing.

But no-one can give back Barcelona the points, or the almost certainly lost 1997 Spanish League title. A week ago, Ronaldo was again playing for Brazil, this time in Oslo. Brazil was not too interested in the outcome; its players treated the match as an exhibition and surrendered, 4-2, to Norway.

So why was Ronaldo posing in Scandinavia, instead of sweating for Barcelona? Because he is governed by Team Nike.

That is what we should call Brazil. It is the world champion, yet it sells its colors, its heritage, its name to Nike. The American sportswear company is paying Brazil $200 million over 10 years and Nike determines where and when Brazil performs. It demands the presence of Ronaldo, who is on the top rank of Nike sponsored sportsmen, along with Michael Jordan, Tiger Woods and Pete Sampras.

In soccer, as in those other sports, we are discovering that Nike buys more than a logo on a shirt. It manipulates, it influences, it coarsens the ethic of the paid player and the sport.

Soccer administrators in Europe are waking up to the fact that it might lose control of its competitions — or at least the men who play in them. "It is a really dangerous situation when a private company takes control of a national team, or a national icon like Ronaldo," admitted a UEFA spokesman Tuesday.

That administrator doesn't know what can be done, or even whether it is desirable for UEFA or FIFA to attempt to step in between players, sponsors and officialdom.

While we dither, Nike takes advantage. Ronaldo is flown on a regular monthly basis to Latin America and back, missing training at his club, missing vital games, missing sleep. He is making a buck while he may, mindful perhaps that he had a serious knee injury in his teens and surgery may not save him the next time.

His agents are selling pieces of him. We hear almost on a daily basis that Internazionale of Milan is about to make him soccer's most expensive trade, a deal that amounts to $70 million in part for Barcelona, in larger part for Ronaldo, give or take the agent's cut.

I admire his wonderful ability to take on men and score goals from all angles, all distances. I less admire the salesmen who move him around like some exotic butterfly, unable to settle and enjoy a sense of belonging.

The latest rumor is that Josep Lluis Nunez, Barcelona's elected president, is begging Nike to intervene this time in the Catalan club's favor. Nunez fears losing the goals of the playing god. He fears that even more after last Sunday.

So the clothing company holds all the aces. It has moved into a vacuum where no rules were framed to anticipate remote control by firms with vested interest.

There are other, sinister influences at work on the Spanish peninsula. According to reports, the Hercules players who defeated Barcelona were each paid a $45,000 bonus — by Real Madrid. The inducement, if it was indeed paid, would not be a first. It would not be illegal.

But it stinks. Why should professional players respond to offers to run to their utmost to win any match? Why, in Hercules' case, would they not work to the limits of their skill and strength when they are in danger of losing their own place in the top division?

The fact that Barcelona appears to be built singularly around the presence and the goals of one phenomenal player, Ronaldo, asks deep questions about the Catalan club's team building.

But if the opposition needs to be bribed by a third team to play its best, then sport surrenders the very principles on which it is founded. Once again, there is no statute that forbids the offer of inducements from anyone to make a team try their best.

It would be different if someone offered the money for a team to lose. But with such cash piles around, with such ruthless business practices entering the sport, are we so sure that what took place in Spain last week was entirely legal?

From TV highlights, the Extremadura defense and its goalie seemed sloppy, even negligent against the mighty Madrid. Someone of suspicious mind might wonder just how far Real Madrid's largesse extended that fateful Sunday of the season.

Sport, like Caesar's wife, has to be seen to be above suspicion. When soccer allows the moneyed hands of business to dictate its terms, it can only lose credibility.

Rob Hughes is on the staff of The Times of London.

U.S. Scores? Look Around

By Jennifer Frey
Washington Post Service

PARIS — I want to know how many home runs Ken Griffey Jr. has hit for the Seattle Mariners. I want to know if the Baltimore Orioles are playing as well as they were when I came to the French Open for the beginning of what will be two months of U.S. sports deprivation.

Desperate, I asked my new French friend, Jean-Louis, a local restaurant owner. "Where can I get sports scores?" I asked timidly, after he gave me dinner one night.

Jean-Louis blew smoke in my face. "Sports?" he asked. "He waved his hand dismissively. "That is not important."

I have been told that Griffey is universal, that sports practically rule the world these days. So I went in search of Philippe Bouin, the dean of French sports journalists. I asked Bouin what the hot sports topics are in his country. He mentioned the French Open. He mentioned the European Cup.

"The NBA?" I squeaked, almost afraid to mention the topic.

"Ah, the NBA," Bouin said. "For the kids, maybe, I think it might be important, but not for people my age."

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Texas 001 012 30x—8 18 0
Radke, Ritchie (7) and Steinbach; D.Oliver, Whiteside (9) and I.Rodriguez. W—D. Oliver 3-6. L—Radke 4-5. HRs—Texas, Newson (4), I.Rodriguez (6).

Toronto 000 000 000—0 2 0
Seattle 100 001 10x—3 9 0
Andujar, Quantrill (7) and Santiago; R.Johnson and D. Wilson. W—R. Johnson 8-1. L—Andujar 0-1. HRs—Seattle, Griffey Jr (25).

Detroit 110 410 010—8 10 0
Oakland 020 001 112—7 11 0
Moehler, Sager (7), Te.Jones (8), M. Myers (9), Brocail (9) and Casanova, Kensky. Johnson (5), Groom (8), Mohler (9) and Ga.Williams. W—Mohler, 4-4. L—Kensky, 1-6. Sv—Brocail (2). HRs—Oak., Stairs (8), McGwire (21). Det., D. Cruz (1), Hamelin (4).

NATIONAL LEAGUE

Los Angeles 000 000 000—0 6 0
Houston 000 000 20x—2 6 0
Nomo, Osuna (7) and Prince, Wall; Lima (8) and Ausmus. W—Wall 2-2. L—Nomo 5-5. Sv—Lima (1).

Pittsburgh 100 000 001—2 6 0
Chicago 000 101 10x—3 7 1
Lieber, Wolthouse (7) , Peters (7) and Kendall; Mulholland, TAdams (8) and Houston. W—Mulholland 5-4. L—Lieber 2-7. Sv—TAdams (8). HRs—Chicago, B Brown (2). Pittsburgh, E. Brown (2).

San Diego 020 020 000—5 10 1
Atlanta 101 000 200—4 10 0
H.Murray, Ti.Worrell (7), Burrows (8), Hoffman (9) and Flaherty; G.Maddux, Clontz (8), Embree (9) and Ed.Perez, J. Lopez (9). W—H. Murray, 1-0. L—G. Maddux, 6-2. Sv—Hoffman (9).

San Francisco 000 000 002—2 9 0
Florida 000 220 00x—4 7 0
Gardner, Arocha (6), Tavarez (7) and Jensen; A.Leiter, Cook (8), Powell (8), Nen (9) and C. Johnson. W—A. Leiter, 5-3. L—Gardner, 6-2. HR—Florida, Sheffield (6).

Montreal 010 300 202—10 13 0
New York 000 000 000—0 6 1
C.Perez and Fletcher; M.Clark, Trlicek (7), Manuel (9) and Hundley. W—C. Perez 5-4. L—M. Clark 5-4. HRs—Montreal, Fletcher (10), H.Rodriguez (10), V. Guerrero (2). Osuna (11).

Colorado 021 034 100—11 12 0
St. Louis 000 050 101—7 11 1
Burke, McCurry (6), M. Munoz (7), S. Reed (8), Leskanic (9) and Manwaring; Dn.Jackson, Beltran (6), Petkovsek (6), T. J.Mathews (8), Fossas (9) and Lampkin. W—Burke 1-1. L—Dn.Jackson 1-1. HRs—St. Louis, Lankford (10). Colorado, Burks (13), Galarraga (15).

AMERICAN LEAGUE LEADERS

	G	AB	R	H	Avg.
FThomas ChW	53	185	44	72	.389
Justice Cle	49	167	38	64	.383
WClark Tex	42	149	26	56	.376
Cora Sea	52	191	38	69	.361
IRodriguez Tex	51	212	35	75	.354
Surhoff Bal	43	159	25	55	.346
GAnderson Ana	51	210	27	72	.343
Roberts KC	47	167	20	57	.341
Ramirez Cle	43	157	22	52	.331
JuFranco Cle	47	172	30	57	.331

RUNS—BoWilliams, New York, 48; Griffey Jr, Seattle, 48; A. Rodriguez, Seattle, 47; F. Thomas, Chicago 44; ToClark, Detroit, 42; Knoblauch, Minnesota, 42; Edmonds, Anaheim, 40; T. Martinez, New York, 40; Hollins, Anaheim, 40.

RBI—Griffey Jr, Seattle, 63; T. Martinez, New York, 57; ToClark, Detroit, 50; F. Thomas, Chicago, 48; Belle, Chicago, 47; McGwire, Oakland, 44; Justice, Cleveland, 44.

HITS—I. Rodriguez, Texas, 75; A. Rodriguez, Seattle, 74; G. Anderson, Anaheim, 72; BeWilliams, New York, 72; F. Thomas, Chicago, 72; T. Martinez, New York, 69; Griffey Jr, Seattle, 69; E. Martinez, Seattle, 69, Cora, Seattle, 69.

DOUBLES—Sprague, Toronto, 19; O. Nelli, New York, 19; A. Rodriguez, Seattle, 18; BeWilliams, New York, 17; Giambi, Oakland, 16; Cirillo, Milwaukee, 16; 6 are tied with 15.

TRIPLES—Garciaparra, Boston, 5; Alicea, Anaheim, 4; 11 are tied with 3.

HOME RUNS—Griffey Jr, Seattle, 25; McGwire, Oakland, 21; T. Martinez, New York, 20; ToClark, Detroit, 17; Justice, Cleveland, 16; M. Vaughn, Boston, 14; F. Thomas, Chicago, 13; Mo. Williams, Cleveland, 13.

STOLEN BASES—B. LHunter, Detroit, 27; Knoblauch, Minnesota, 27; Nelson, Toronto, 21; T. Goodwin, Kansas City, 20; Durham, Chicago, 15; Burnitz, Milwaukee, 13; Vizquel, Cleveland, 13.

PITCHING (3 Decisions)—Clemens, Toronto, 10-0, 1.000, 1.85; Key, Baltimore, 9-1, .900, 2.32; Erickson, Baltimore, 8-1, .889, 2.96; R. aJohnson, Seattle, 8-1, .889, 2.68.

NATIONAL LEAGUE LEADERS

	G	AB	R	H	Avg.
LWalker Col	53	197	53	81	.411
Gwynn SD	53	206	34	84	.408
Blauser Atl	54	171	34	62	.363
Lofton Atl	55	238	45	82	.345
Bonilla Fla	52	196	22	67	.342
Galarraga Col	51	201	49	68	.338
Segui Mon	45	164	35	55	.335
HRodriguez Mon	53	201	32	67	.333
Olerud NYM	53	196	39	65	.332
Piazza LA	50	169	28	56	.331

RUNS—L. Walker, Colorado, 53; Galarraga, Colorado, 49; Lofton, Atlanta, 45; Biggio, Houston, 42; Burks, Colorado, 42; EcYoung, Colorado, 39; Bagwell, Houston, 39; Olerud, New York, 39.

RBI—Galarraga, Colorado, 59; Bagwell, Houston, 53; L. Walker, Colorado, 48; Kent, San Francisco, 46; Alou, Florida, 45; Bichette, Colorado, 43; Gwynn, San Diego, 43.

HITS—Gwynn, San Diego, 84; Lofton, Atlanta, 82; L. Walker, Colorado, 81; D. Sanders, Cincinnati, 72; EcYoung, Colorado, 68; Biggio, Houston, 68; Galarraga, Colorado, 68.

DOUBLES—Grudzielanek, Montreal, 21; Bonilla, Florida, 21; H. Rodriguez, Montreal, 19; Clayton, St. Louis, 19; Brogna, Philadelphia, 17; Bagwell, Houston, 17; Morgenthal, Philadelphia, 17; L. Walker, Colorado, 17.

TRIPLES—W. Guerrero, Los Angeles, 6; Womack, Pittsburgh, 6; D. Sanders, Cincinnati, 6; De. Shields, St. Louis, 5; Tucker, Atlanta, 4; McRae, Chicago, 4; 11 are tied with 3.

HOME RUNS—Bagwell, Houston, 17; L. Walker, Colorado, 15; Galarraga, Colorado, 15; Castilla, Colorado, 14; Sosa, Chicago, 13; Burks, Colorado, 13; Hundley, New York, 12.

STOLEN BASES—D. Sanders, Cincinnati, 30; Womack, Pittsburgh, 20; Lofton, Atlanta, 17; De. Shields, St. Louis, 16; Clayton, St. Louis, 15; McCracken, Colorado, 13; Grudzielanek, Montreal, 12; L. Walker, Colorado, 12; Dunston, Chicago, 12.

PITCHING (7 Decisions)—P. JMartinez, Montreal, 8-1, .889, 1.36; Neagle, Atlanta, 7-1, .875, 3.45; B. JJones, New York, 9-2, .818, 2.32; Estes, San Francisco, 7-2, .778, 2.77; Kile, Houston, 6-2, .750, 2.14; Gardner, San Francisco, 6-2, .750, 3.51; G. Maddux, Atlanta, 6-2, .750, 1.98.

STRIKEOUTS—Schilling, Philadelphia, 93; Nomo, Los Angeles, 85; A. IBenes, St. Louis, 82; K. JBrown, Florida, 81; P. JMartinez, Montreal, 73; Reynolds, Houston, 71; Stottlemyre, St. Louis, 69.

SAVES—Beck, San Francisco, 17; Nen, Florida, 14; ToWorrell, Los Angeles, 14; JoFranco, New York, 14; Bottalico, Philadelphia, 12; Wohlers, Atlanta, 12; Eckersley, St. Louis, 12.

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	28	19	—	.596	—
Hiroshima	25	20	—	.556	2.0
Chunichi	23	23	—	.500	4.5
Hanshin	23	24	—	.489	5.0
Yokohama	20	23	—	.465	6.0
Yomiuri	18	28	—	.391	9.5

TUESDAY'S RESULTS

Yakult 2, Yomiuri 1
Hiroshima 3, Hanshin 0
Yokohama 9, Chunichi 3

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	28	18	—	.609	—
Orix	22	18	—	.550	3.0
Daiei	24	24	—	.500	5.0
Nippon Ham	23	24	—	.489	5.5
Lotte	20	24	1	.455	7.0
Kintetsu	18	27	1	.400	9.5

TUESDAY'S RESULTS

Seibu 7, Kintetsu 4
Orix 3, Lotte 2
Nippon Ham 3, Daiei 2

CYCLING

GIRO D'ITALIA

Leading placings in 200-km 17th stage of the Giro d'Italia from Dalmine to Verona:

1. Gualdi, It., Polti 4 h. 27 m. 41 s; 2. Pozzi, It., Carting Tolo s.t.; 3. Gonzalez, Col., Kelme s.t.; 4. Piccoli, It., Brescialat at 31 s.; 5. Vergnani, It., Amore and Vita; 6. Brognara, It., Batik; 7. Gasperoni, It., Scrigno; 8. Faresin, It., Mapei at 5 s.; 9. Finesso, It., Ros Mary at 40 s.; 10. Djavanian, Rus., Rosiotto 1:31.

OVERALL: 1. Gotti, It., Saeco 78 h. 27 m. 23 s.; 2. Tonkov, Rus., Mapei at 51 s.; 3. Leblanc, Fr., Polti 3:02; 4. Shefer, Kazak., Asics 3:40; 5. Mazzoli, It., AKI 4:07; 6. Guerini, It., Polti 6:17; 7. di Grande, It., Mapei 7:56; 8. Belli, It., Brescialat 8:17; 9. Mercks, Belg., Polti 9:42; 10. Gonchar, Ukr., AKI 10:26.

GOLF

JOHNNIE WALKER RYDER CUP

Standings for 1997 Ryder Cup to be played September 26-28 at Valderrama in Sotogrande, Spain. Top 10 finishers will qualify for 12-man team. U.S. captain Tom Kite and European captain Seve Ballesteros will select two players at large to complete each team:

UNITED STATES

1. Tiger Woods 1015.000; 2. Tom Lehman 856.284; 3. Mark O'Meara 801.250; 4. Brad Faxon 727.500; 5. Scott Hoch 715.286; 6. Phil Mickelson 659.286; 7. Davis Love III 638.500; 8. Tommy Tolles 609.286; 9. Steve Jones 579.286; 10. Mark Brooks 569.750; 11. Paul Stankowski 503.333; 12. Jim Furyk 492.500; 13. David Duval 479.000; 14. Tom Watson 415.000; 15. Fred Couples 398.036.

EUROPE

1. Ian Woosnam, Wales 444,766
2. Colin Montgomerie, Scotland, 399,708
3. Darren Clarke, N. Ireland, 375,451
4. Bernhard Langer, Germany, 337,890
5. Miguel Angel Martin, Spain, 317,054
6. Per-Ulrik Johansson, Sweden, 312,315
7. Thomas Bjorn, Denmark, 289,165
8. Costantino Rocca, Italy, 284,735
9. Lee Westwood, England, 264,333
10. Paul Broadhurst, England, 220,691
11. Jose Maria Olazabal, Spain, 199,027
12. Peter Mitchell, England, 191,218
13. Sam Torrance, Scotland, 189,344
14. Jean Van de Velde, France, 175,926
15. Roger Chapman, England, 170,487

GOLF WORLD RANKINGS

1. Greg Norman, Australia, 10.23 points; 2. Tiger Woods, U.S., 9.79; 3. Tom Lehman, U.S., 9.41; 4. Steve Elkington, Australia, 9.15; 5. Nick Price, Zimbabwe, 8.87; 6. Colin Montgomerie, Britain, 8.44; 7. Ernie Els, South Africa, 8.41; 8. Masashi Ozaki, Japan, 8.27; 9. Mark O'Meara, U.S., 7.42; 10. Phil Mickelson, U.S., 7.12; 11. Fred Couples, U.S., 6.74; 12. Brad Faxon, U.S., 6.73; 13. Nick Faldo, Britain, 6.72; 14. Scott Hoch, U.S., 6.67; 15. Davis Love, U.S., 5.84; 16. Bernhard Langer, Germany, 5.82; 17. Jesper Parnevik, Sweden, 5.76; 18. Steve Jones, 5.75; 19. Ian Woosnam, Britain, 5.48; 20. Vijay Singh, Fiji, 5.28.

SOCCER

SPANISH FIRST DIVISION

Real Sociedad 3 Tenerife 0
Zaragoza 2 Atletico Madrid 3

STANDINGS: Real Madrid 89 points; Barcelona 84; Deportivo Corona 74; Real Betis 74; Atletico Madrid 71; Athletic Bilbao 61; Valladolid 61; Real Sociedad 57; Valencia 53; Tenerife 52; Compostela 50; Racing Santander 49; Zaragoza 49; Espanyol 48; Oviedo 47; Celta Vigo 46; Sporting Gijon 46; Rayo Vallecano 45; Extremadura 41; Hercules 38; Sevilla 37; Logrones 32.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BOSTON—Put RHP Rich Garces and RHP Jim Corsi on 15-day disabled list. Activated RHP Mark Brandenburg from 15-day disabled list. Recalled LHP Vaughn Eshelman from Pawtucket, IL.

NATIONAL LEAGUE

FLA.—Suspended Los Angeles Dodgers 2B Wilton Guerrero 8 games and fined him undisclosed amount for using corked bat in June 1 game.

NEW YORK METS—Put SS Rey Ordonez on 15-day disabled list. Recalled INF Shawon Gilbert from Norfolk, IL.

PHILADELPHIA—Recalled OF Ricky Otero from Scranton-Wilkes-Barre, IL. Sent RHP Calvin Maduro to Scranton-Wilkes-Barre.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

VANCOUVER—Acquired Houston Rockets' 1997 2nd-round draft choice to complete earlier trade.

ITALIAN LEAGUE

BUCKLER—Signed G Sasha Danilovic from Dallas, NBA.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ARIZONA—Signed OLB Tony McComas to 2-year contract.

BUFFALO—Released LB Mark Maddox.

CHICAGO—Released S Mark Carrier.

DALLAS—Signed WR Anthony Miller. Re-signed RB Herschel Walker and S Bill Bates to 1-year contracts. Released C Ray Donaldson.

DETROIT—Re-signed DL Mike Wells.

MIAMI—Agreed to terms with RB Dewayne Dotson on 1-year contract.

NEW ORLEANS—Signed LB Ernest Dixon to 1-year contract. Announced that CB Brian Bowman has left team.

PHILADELPHIA—Signed WR Michael Timpson, WR Russell Copeland and TE Jimmie Johnson to 1-year contracts. Released WR Jasper Strong.

PITTSBURGH—Agreed to terms with WR Courtney Hawkins on 3-year contract.

SAN DIEGO—Signed CB Paul Bradford to 2-year contract and WR Andre Coleman to 1-year contract. Did not renew tender offer to TE Shannon Mitchell. Withdrew tender offers to RB Kevin Boule and LB Joe Cummings.

TENNIS

FRENCH OPEN

QUARTERFINALS

WOMEN'S SINGLES

Majoli (9), Cro. def. Dragomir, Rom., 6-3, 5-7, 6-2.
Coetzer (11), S.Af. def. Graf (2), Ger. 6-1, 6-4.
Seles (3), U.S. def. Fernandez (12), U.S. 3-6, 6-2, 7-5.
Hingis (1), Switz. def. Sanchez Vicario (6), Sp. 6-2, 6-2.

MEN'S SINGLES

Dewulf, Belg. def. Norman, Swe. 6-2, 6-7 (2-7), 6-4, 6-3.
Kuerten, Bra. def. Kafelnikov (3), Rus. 6-2, 5-7, 2-6, 6-0, 6-4.

MEN'S DOUBLES

Woodbridge and Woodforde (1), Australia, def. Leach and Stark (7), U.S. 6-2, 7-6 (7-5).
Ellingh and Haarhuis (2), Neth. def. Eagle and Florent, Austl. 6-7 (6-8), 6-4, 6-2.
Arnold and Ossmic, Arg. def. Carbonell and Roig, Sp. 4-6, 6-4, 6-4.

MIXED DOUBLES

Sukova and Suk (4), Czech. def. Gremmel and Davids (14), Neth. 6-2, 6-3.
Hingis, Jap. and Bhupathi (16), Ind. def. Kournikova, Rus. and Knowles (9), Bah. 7-5, 6-0.
Raymond and Galbraith (1), U.S. def. McQuillan and MacPherson, Austl., 6-3, 6-4.

A Sparkling Johnson Blanks the Blue Jays

The Associated Press

Only two bloop hits in the sixth inning separated the Seattle Mariners' Randy Johnson from his second career no-hitter.

He was sensational on a Monday night in the Kingdome when Ken Griffey Jr. hit his 25th home run of the season, tops in the majors.

"He's in a league of his own," the Mariners manager Lou Piniella said after watching Johnson pitch a two-hitter in a 3-0 victory over the Toronto Blue Jays. "Randy can pitch a game for you as well as anybody."

For 5⅓ innings, Johnson (8-1) looked like he was going to pitch a perfect game. Then Alex Gonzalez and Tilso Brito, Toronto's Nos. 8 and 9 hitters, got

AL Roundup

their bloop hits. Johnson walked Jacob Brumfield to lead off the seventh, and Brito and Otis Nixon leading off the ninth. The Blue Jays hit the ball out of the infield only five times.

"He was Randy," the catcher Dan Wilson said. "He was awesome."

Making his 12th start of the season, Johnson struck out nine and pitched his first shutout and first complete game since late in the 1995 season, when he won the AL Cy Young Award.

Yankees 5, Red Sox 2 Paul O'Neill went 3-for-4 and drove in the go-ahead run in the seventh inning, and David Wells pitched seven solid innings to lead New York over Boston.

After losing the opener of the four-game series, the Yankees won the next three games.

With the score tied, 2-2, in the seventh, Bernie Williams and Tino Martinez hit one-out singles before Vaughn Eshelman relieved Aaron Sele (6-4). O'Neill followed with a line drive to right.

Wells (6-3) allowed six hits in winning for the fifth time in his last seven starts.

Rangers 8, Twins 0 Darren Oliver pitched eight strong innings and Ivan Rodriguez went 3-for-5 with a home run as Texas shut out visiting Minnesota.

Oliver (3-6), who had lost five of his previous six decisions, gave up five hits, struck out six and walked one as the Rangers beat the Twins for the fourth straight time. Matt Whiteside pitched a perfect ninth for Texas.

The Rangers had six doubles and two homers, including Warren Newson's two-run shot in the sixth. Domingo Cedeno went 3-for-4 and Will Clark went 3-for-5 as Texas had a season-high 18 hits.

Tigers 8, Athletics 7 The Athletics' Steve Karsay gave up seven earned runs for a second straight start and lost for the sixth time in seven games. It was indicative of the Oakland pitching problems that his job on the starting staff was still safe.

"Expect him to go out some nights and not have the hop," the Oakland manager Art Howe said of Karsay after the loss. "That's happened twice. The other games, he's been all right. I'm not taking him out of the rotation."

Thanks to home runs by Bob Hamelin and the rookie Deivi Cruz and some clutch final-inning relief from Michael Myers and Doug Brocail, the Tigers held on.

The surprising Tigers have won 7 of 10, while the A's lost for the seventh time in nine home games.

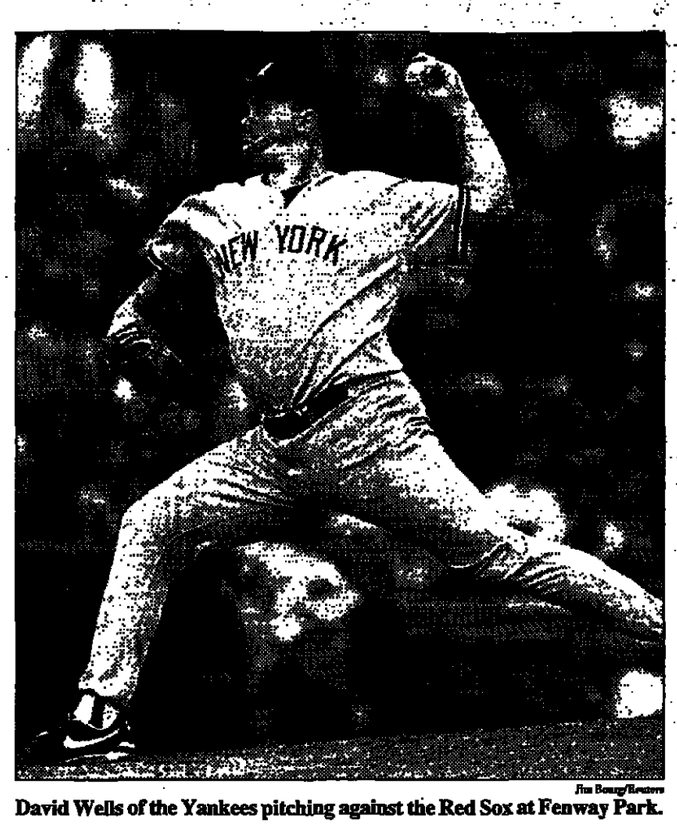
Brian Moehler (4-4) pitched six strong innings to win his second straight start over Oakland. He allowed four runs and seven hits before leaving with a 7-3 lead after giving up two singles to start the seventh. Mark McGwire hit his 21st homer of the season and 350th of his career for Oakland.

White Sox 8, Brewers 5 Chicago won and Albert Belle lost. In danger of being swept in the four-game series in Milwaukee, the White Sox came from behind and won on Mike Cameron's two-run double in a three-run ninth inning Monday night. "Those guys just won't go away," Frank Thomas said of the Brewers, who have beaten his team four out of five times this season.

With the score tied, 5-5, in the ninth, Frank Thomas singled with one out. That gave Belle another chance at keeping his 27-game hitting streak alive.

But Belle flied out to go 0-for-3 with two walks, ending the streak, the longest in the majors this season.

• Rain on Monday washed out the game between the Baltimore Orioles and Cleveland Indians for a second straight day.



Jim Bourg/Reuters

David Wells of the Yankees pitching against the Red Sox at Fenway Park.

Awaiting League Ruling, Galarraga Stays in Groove

The Associated Press

It might take an entire league to stop Andres Galarraga.

Galarraga hit his fifth homer in seven games Monday night as the Colorado Rockies beat the St. Louis Cardinals, 11-7. But he might be suspended by the National League later this week for

NL Roundup

charging the mound in a game Saturday against the Florida Marlins.

The Rockies' manager, Don Baylor, said, "It'll be a shame if he gets suspended because he is in such a groove right now."

Galarraga's three-run homer in the fifth was measured at 426 feet — 103 feet shorter than his blast two days ago in Miami. Four innings after hitting that tape-measure homer against the Marlins, Galarraga charged the mound after being hit by a pitch from Dennis Cook.

Galarraga's 15th homer of the season gave the Rockies a 6-0 lead. The Cardinals rallied with five runs in the bottom of the fifth, including a three-run homer by Ray Lankford. But the Rockies pulled away with four runs in the sixth.

Padres 5, Braves 4 Heath Murray got his first major-league victory as San Diego beat Greg Maddux and the Braves at Atlanta.

Marlins 4, Giants 2 In Miami, Al Leiter pitched seven strong innings and Gary Sheffield homered to lead Florida over San Francisco.

Cubs 3, Pirates 2 In Chicago, Brant Brown went 3-for-3 with a solo home run to lead the Cubs to a third straight victory. Brown, recalled from the minors on May 23, is 8-for-13 (.615) over his last five games.

Astros 2, Dodgers 0 Donne Wall and Jose Lima combined on a six-hitter and Brad Ausmus hit a two-run double as the host Astros snapped a three-game losing streak.

Expos 10, Mets 0 Carlos Perez pitched a six-hitter for his second career shutout as Montreal ended New York's four-game winning streak.

• The Cincinnati-Philadelphia game was postponed by rain.

■ 8-Game Suspension for Dodger

Wilton Guerrero, the rookie second baseman of the Los Angeles Dodgers tried to beat one of baseball's most sacred rules and got caught.

Guerrero was suspended for eight games and fined an undisclosed sum by the NL president, Len Coleman, for using a corked bat. Guerrero admitted he knew the bat was corked before it shattered when he grounded to second Sunday in a game in St. Louis.

Utah: 'Unforced' Errors

Jazz Could Improve and Surprise Bulls

By Michael Wilbon
Washington Post Service

CHICAGO — There's a certain rhythm to the NBA playoffs where the Chicago Bulls are concerned. In all four series the Bulls have played this postseason, they've narrowly won Game 1 — first over the Washington Bullets, then Atlanta, then Miami and now Utah. Opponents' refrains in the postmortems have been identical: "If we had just done what we usually do well, we would have won Game 1."

Of course, their logic is flawed be-

NBA Playoffs

cause the Bulls, by design, don't allow you to do what you usually do well. They didn't get to be four-time champions by watching teams go repeatedly to their strengths. Miami, for example, never got major points from Alonzo Mourning because the Bulls prevented him from doing what he usually does.

But Karl Malone and John Stockton believe they're different. We usually associate unforced errors with tennis. But Utah's players and coaches are convinced it was mistakes that the Bulls didn't even elicit that were largely responsible for Chicago's Game 1 victory Sunday. Utah's players and coaches believe Malone will make more shots Wednesday in Game 2, and they believe Stockton will not commit seven turnovers, or anything close to that.

The Utah folk simply believe they've got smarter, tougher, more experienced players who know too much to repeat the same mistakes, and that it all starts with Stockton and Malone.

They're probably right. Utah is different from Washington, Atlanta and Miami. Utah is different from the Lakers, Trail Blazers, Suns and SuperSonics, too, which are the teams the Bulls beat in their previous NBA Finals. At least Jordan believes so. "There is no sense of panic in them," he said, "and that makes them dangerous. They are aware of where they are and maintain the poise it takes to be a great challenger. I'd have to say that Utah is the best fundamentally sound, all-around team we've played in the finals." Jordan rarely goes out of his way to compliment anybody. He never seemed particularly impressed with Atlanta or Miami, though he was with the Bullets. But Jordan knows Stockton and Malone are going to show up huge Wednesday night, and so do they.

There are a lot of impostors in sports, but there are no indications that Stockton and Malone are among them. They've demonstrated too much resourcefulness, too much *stick-to-it-iveness* to get this far and disintegrate. The Bulls zealots from coast to coast believe this series is going to be over quickly, now that Scottie Pippen has shown himself healthy enough. I believe Stockton and Malone are going to put Utah on the scoreboard Wednesday and make this a tough series.

"We don't know if we'll ever have the chance to get back here again," Stockton said before practice Monday.

The Lakers had been in the finals so many times before that they never exhibited that sense of urgency in 1991. Portland had been once before, and its players thought during the 1992 series they'd be making a habit of going to the finals. Charles Barkley was in his first year in Phoenix in '93, and the Suns presumed there would be encore championship performances. Seattle, with Shawn Kemp and Gary Payton just entering their prime, still feel they'll get back here, as they did last season.

Malone and Stockton are as old as dirt, and they know this is probably the only chance they will get to win a title. They are not going to come up with any new wrinkles between now and Wednesday; they will just practice and prepare and concentrate on doing what they do better.

"We'll bounce back," Malone said. "That's the nature of this team. We don't have any fear about anything and we aren't in awe of anybody. We have to make them play us. I don't have any excuses. Everybody has them, so why use one now? Who said just because you're the MVP means you're going to make two free throws? I missed a ton of them during the regular season and made a ton of them during the regular season."

Malone missed eight of his first nine shots Sunday, even though he said that "they were better looks than I got in the Houston series." He figures that, as a result, Phil Jackson will start the game with the same matchup: Luc Longley on Malone. "I expect that, and I'm looking forward to it," Malone said, doing everything but licking his lips.

Nothing Pippen and Jordan did defensively surprised Stockton. He played against them during the 1992 Dream Team summer. But he didn't practice against Jordan-plus-Pippen-plus-Ron Harper. Harper is 6 feet 6. He did nice work on Mookie Blaylock, even better work on Tim Hardaway and was tough on Stockton in Game 1. Every time somebody asked Stockton how he made seven turnovers Sunday night, Stockton answered with a glare. He rarely shows emotion, but you could see the fire raging in him as if questioning his miscues offended him.

There is, of course, another key figure in what Utah will do Wednesday: Jerry Sloan. He's got enough common sense to know his team has to work Jordan and Pippen harder, but enough hardheadedness to stick with the majority of his day-to-day program. It was funny when Pippen told Malone, "The Mailman doesn't deliver on Sunday," before Malone missed crucial two free throws. And while the Bulls probably will win this series, the mail flows pretty well on Wednesday, which is an entirely new day.

Peter Mulally/Agence France-Presse

Irabu, the pride of the Yankees.

Japanese Pitcher Shows Rust

The Associated Press

TAMPA, Florida — It was easy to spot Hideki Irabu among the dozens of New York Yankee prospects spread over three practice fields. He was the guy who moved the crowd.

A large media contingent, many of them reporters and photographers from Japan, his homeland, tracked his every move before and after he threw 45 pitches in a simulated game Monday.

Catcher Blaine Phillips said Irabu's fastball was impressive, although it was the pitch he had the most difficulty getting over the plate.

He worked three simulated innings of 15 pitches each Monday, facing nine batters and a 10th, who took one pitch. He allowed one hit, struck out one and walked two.

"It's been seven months since I faced a live hitter," he said through an interpreter.

The 28-year-old right-hander with the richest contract ever given a major league rookie — a four-year, $12.8 million deal that he signed last week — showcased a fastball that tops 90 miles an hour (145 kilometers an hour), a slow, big-bending curve and a sharp-breaking forkball that frustrates hitters anticipating pure speed.

"It's not easy to pick up the rotation on that pitch," said a Yankee prospect, Homer Bush. "You see it and say, 'Oh, nice fastball.' Before you know it, it's out of the zone."

The workout also drew favorable reviews from Yankees' officials.

"I like everything about him," said the pitching coordinator, Billy Connors. "I like his makeup and his determination. He's got heart and desire, and wants to be a Yankee. That's No. 1."

Irabu, a former top pitcher in Japan, has not pitched in a game since October. He was caught in limbo while the San Diego Padres worked out a trade with the Yankees, who hope to have him pitching in New York by the All-Star break in July.

Bulls' Coach Wants Just One More Year

The Associated Press

CHICAGO — Phil Jackson wants to sign for just one more year to coach the Chicago Bulls, while the team's owner, Jerry Reinsdorf, would prefer to sign Jackson to a long-term contract for rebuilding purposes, the Chicago Sun-Times reported Tuesday.

Michael Jordan, who has said he will not come back to the Bulls next season unless Jackson does, plans to ask for $36 million for next season, according to a Chicago Tribune report that cited sources close to Jordan.

Jackson told the Sun-Times he had read that the Bulls' management said it didn't know what he wanted to do.

"But I know what I want to do," he said. "This is the team I want to stay with. This is a club that we built."

Jackson, 52, added that he could not commit to a long-term contract for health and personal reasons.

DENNIS THE MENACE

"I WANNA SEE MR. WILSON PLAY WITH HIS MOUSE."

PEANUTS

CALVIN AND HOBBES

GARFIELD

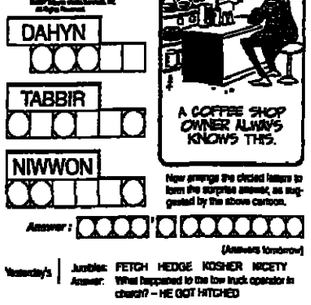
WIZARD of ID

BEETLE BAILEY

NON SEQUITUR

DOONESBURY

JUMBLE



Yesterday's Jumbles: FETCH HEDGE KOSHER RICETY
Answer: What happened to the low truck operator in charge? – HE GOT HITCHED

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OBSERVER

Of Wine and Noses

By Russell Baker

WASHINGTON — I just bought a bottle of wine. I almost paid $4,810 for it. I don't normally go that high. I always say that paying more than $13 for any bottle of wine is showing off. It's only wine, right?

It's for easing down hamburgers, chicken, ravioli. Water will do the job too, but it's duller. Who sits around having a lovely dinner conversation over a pitcher of water?

Some people use coffee. I did once. But then I sometimes used martinis, too, in those days. Two martinis before dinner hit the spot so well that another martini or two during the meal often seemed irresistible.

□

That was a long time ago. I moved ahead and learned about things like premier cru, bottled at the chateau and appellation controlled. These are on everybody's tongue nowadays of course, but back then it awed your liquor dealer when you pulled words like that on him.

Mature wine wisdom now has me operating in the $10-$13 range, which will buy a decent Virginia cabernet franc or Santa Barbara chardonnay. That's why I was amazed by a recent New York Times story about one of those auctions for the filthy-rich, held in London.

Somebody had accumulated 18,000 bottles of wine. Rich people now do these disgusting things. You know, buy up all the great art, all the Jackie Kennedy relics, hide them in vaults so nobody can ever get at them, then auction them for incredible profits.

The New York Times said the 18,000 fetched an average of just over $336 a bottle, but it was the high-end stuff that interested me: specifically, a Pomerol that sold at $4,810 a bottle.

Just before stepping into the local wine shop, I'd seen a bumper sticker saying, "Life Is Too Short to Drink Cheap Wine." To which I said silently: "Absolutely right! The world is full of people drinking wine that costs just over $336 a bottle while I, with life running out, am slumming down in the $13 range."

□

To the wine-shop owner aloud I said, "Mike, I want one of those $4,810 Pomerols." He said was I kidding. I said absolutely not; if he would take a second mortgage on my house I would give him $13 down. He said what food are you going to drink this $4,810 stuff with? I said the same food all $4,810-per-bottle wine drinkers drink it with. "What is that food, Mike?"

"Beats me," he said, naturally, because what person anywhere on any of the major continents could conceive of a food that could live up to a $4,810 wine?

I would have bought it anyhow. It would show an amusing lack of pretension to drink it with fried liver or a fricasseed chicken with dumplings. Life after all is short. "Too short to drink cheap wine," I would tell my wife.

□

Well, if you have to ask you can't afford it. I said forget it, Mike. He said no sweat as he didn't have any anyhow, but if I itched to spend big, try this, he said.

It was a Virginia chardonnay. Fifteen dollars. I bought it.

New York Times Service

Tony Randall as 'the Guy Who Stayed Behind'

By Rick Lyman
New York Times Service

Sara Krulwich/The New York Times

Tony Randall and a fellow Upper West Side stroller taking a break on a Broadway bench.

NEW YORK — Tony Randall stands a few feet into the traffic crush of Eighth Avenue, looking for a taxi to take him back home to the Upper West Side.

"A couple more minutes and then I'll take my hat off," he says. "Someone will stop and offer me a ride. They always have. Oh, I do it all the time. I'm shameless."

Randall, 77, looks a bit like a tweed test pattern, with a glen plaid coat, a bright red tartan tie and a checkered, short-billed hat. The face and the lanky body, the one from "Mr. Peepers" and "The Odd Couple" and all those Rock Hudson and Doris Day movies, is still there, under all that Scottish noise.

The ride uptown, connecting the theater district with the Upper West Side, follows the axis of Randall's world. The founder and artistic director of the six-year-old National Actors Theater has just left a students' matinee of his latest production, a revival of "The Gin Game" and he is heading to the neighborhood where he has lived for more than four decades.

Leonard Rosenberg was 18 when he left Tulsa, Oklahoma, and came to New York to study acting, changing his name to Tony Randall and moving into a small apartment on Riverside Drive. Except for a short stint in Peter Cooper Village and four years in the army, he has lived on the Upper West Side ever since.

For 30 years he lived in the San Remo on Central Park West at 73d Street with his first wife, Florence. When she became ill and needed almost constant care, they moved to a larger apartment several blocks uptown, in the Beresford. Florence Randall died in 1992. They had been married 54 years.

In 1995, Randall married a former intern of the National Actors Theater, Heather Hanlan, now 26. On April 11, they had a daughter, Julia, the first child for both.

"I can tell you what happened to my neighborhood in my lifetime in just two words," Randall says. "Lincoln Center."

"Lincoln Center has had such a civilizing effect on the whole West Side. The opera, the music, the vitality on the streets, the book shops, all of the things that make life worthwhile."

He knows that a price has been paid; many barbers and cobblers and mom-and-pop shops have disappeared. "Instead, there are restaurants in every block," he says. "And they are always jammed. People sit out there on the sidewalk, even in winter. It amazes me."

On an average day off, if the weather is decent, Randall walks across the street and into Central Park. His new wife introduced him to Rollerblades, and he tried them for a time. "Finally, some woman passed me and turned around and yelled, 'You must be out of your mind!' I decided she was right. Now I go bicycle riding."

Randall was just beginning to get some traction in the theater when he was drafted in 1942. "When I came back four years later, I had to start over," he says. "But I can't complain. The same thing happened to 7 million other guys."

He returned from the army to a new apartment at 90th Street and Central Park West that his wife had heard about from a co-worker. He went back to work, getting some roles on Broadway, on radio and eventually on early television.

"My entire generation of actors got their start on television," he says. "Suddenly, with Broadway going strong and radio and all of these new television programs, for the first time there was work enough for everybody."

He remembers riding the Third Avenue El up to 114th Street and walking over to Pathe Studios, where he filmed his first television series, "One Man's Family," with Eva Marie Saint. It was his next series, "Mr. Peepers," that made him a star. He and Florence moved to the San Remo, a tonier address and within walking distance of the Broadway theaters.

"Then, overnight, everything changed," Randall says. Television shows converted to film, and the entire industry moved to the West Coast. "In one year, every young actor in New York moved to Hollywood. But I wouldn't move. I thought that if I ever moved, I would never be in the theater again.

"So I became Mr. New York, the guy who stayed behind."

In 1991, after 10 years of talking about starting a nonprofit national theater, Randall says, he decided he had to act. "I kept talking about it and hoping that someone else would do it and then hire me," he says. "But finally I realized that no one would do it unless I tried to do it myself."

It has been a rocky, all-consuming endeavor, forcing Randall to spend much of his time raising money. Corporate sponsors can call on him for free appearances, and they often do.

In six years, the National Actors Theater has yet to have a production that turned a profit. Last year, a revival of "Inherit the Wind" seemed well on its way, but George C. Scott became ill and had to drop out, and the production closed.

Randall says he hopes "The Gin Game," starring Julie Harris and Charles Durning, will be the theater's first moneymaker. Its three Tony nominations brought an improvement at the box office. With luck, Randall says, next year it will be able to return to its original plan of producing three plays a year.

"You've got to be an impractical dreamer to try to put something together like the National Actors Theater," Randall says. "You've got to be a nut. If I was hardheaded and realistic, I wouldn't have started it. You've got to be a bit of a fanatic."

He is finished with films and television series, he says, and plans to dedicate the rest of his life to his family and the National Actors Theater, with the occasional stage role. (He played Scrooge in a $12 million production at Madison Square Garden last Christmas and says he hopes to do the role again this year.)

"No, this is it for me now," he says. "I'm finally doing what I want to do."

Fred Prouser/Reuter

GREETING LAS VEGAS — Nicolas Cage waving to fans before attending the premiere of his new film, "Con Air," at the Hard Rock Casino in Las Vegas.

PEOPLE

THE singer **Bob Dylan** was released from an undisclosed hospital over the weekend and is recuperating at an undisclosed place. Dylan, 56, is expected to make a full recovery in four to six weeks from a potentially fatal lung infection, according to **Elliott Mintz**, his spokesman, and Columbia Records. They said he was treated for pericarditis, an inflammation of the sac that surrounds the heart, brought on by histoplasmosis, a fungal infection of the lung. Dylan canceled a European tour due to open Sunday in Cork, Ireland. Columbia, in a statement, quoted Dylan as saying: "I'm just glad to be feeling better. I really thought I'd be seeing Elvis soon."

□

The adopted daughter of **Michael Dorris** is contesting his will just days after having sued his estate on accusations that the writer sexually abused her as a child. **Madeline Dorris** and her adopted brother, **Jeffrey**, were excluded from Dorris's will, which left most of his $2.4 million estate to his three biological daughters with the novelist and poet **Louise Erdrich**. In court papers, Madeline Dorris said her father lacked the mental capacity to execute his will six weeks before he committed suicide on April 11. She said he had been clinically depressed for several years, under psychiatric care and hospitalized for suicidal tendencies.

□

Art Garfunkel, half of the folk-rock duo Simon and Garfunkel, is joined by his wife and 6-year-old son on a new album being released by Sony this week. The album, "Songs From a Parent to a Child," includes vocals by Garfunkel's wife, **Kim Cermak Garfunkel**, and their son, **James**, as well as contributions by pop artists **Billy Preston**, **Merry Clayton** and **John Sebastian**. "I want parents to feel the magnificent poetry that a child represents, the genetic union," said Garfunkel. "I would like them to feel the wonder of it. When you look at your sleeping child, you think what is he, what did we give him and what will he become?"

□

Christoph von Dohnanyi, music director of the Cleveland Orchestra since 1984, has signed a multiyear extension to his contract, which was to have expired in 2000. Dohnanyi, 67, a native of Berlin, was chosen principal conductor of the Philharmonia Orchestra of London last fall. He has said that job will not affect his Cleveland duties. "In all of my contracts, it says Cleveland is my priority," Dohnanyi said. "But it is important for me to have one or two places in Europe where I feel at home."

□

Neither Kmart nor Wal-Mart stores will carry the supermarket tabloid Globe as it follows the story of **Frank Gifford** and his rendezvous with a woman in a New York hotel room. This week's issue includes a transcript of what purportedly was said in the hotel room. Last month, the Globe printed photos it said showed the sportscaster groping a 46-year-old married woman. Kmart pulled that issue from its stores. The Washington Post reported shortly afterward that the Globe paid the woman $75,000 to entice Gifford into the hotel room. Gifford and his wife, the talk show host **Kathie Lee Gifford**, have not denied the authenticity of the fuzzy photos, taken from a videotape, but have asked for privacy.

□

Snoop Doggy Dogg has been sued by his former manager **Sharitha Knight**, who says she was not paid her 20 percent share during a time when the rapper earned $8 million. Knight is the estranged wife of **Marion (Suge) Knight**, the Death Row Records magnate who is serving a nine-year prison sentence for violating probation for a 1992 assault. She is running the record company, which is besieged by multimillion-dollar claims from creditors and a federal investigation of alleged links to drug trafficking, money laundering and extortion. The singer, whose real name is Calvin Broadus, is "spending large sums of money on frivolous items and objects," the lawsuit contends.

□

Two Estonians spent 61 hours telling nonstop jokes in a weekend that reportedly earned them a place in the Guinness Book of Records. **Valdo Jahilo**, 25, and **Erkki Kolu**, 27, radio journalists from Tartu, entertained each other — and the public —, from Friday morning to Sunday evening. Their performance beat by one hour the previous mark for joke-telling pairs, set in South Africa in 1988, the Baltic News Service said. A Peruvian, **Felipe Carbonel**, holds the solo record of 100 consecutive hours, set in 1990.

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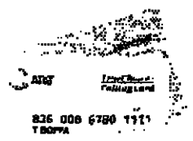

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